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The Washington Monthly

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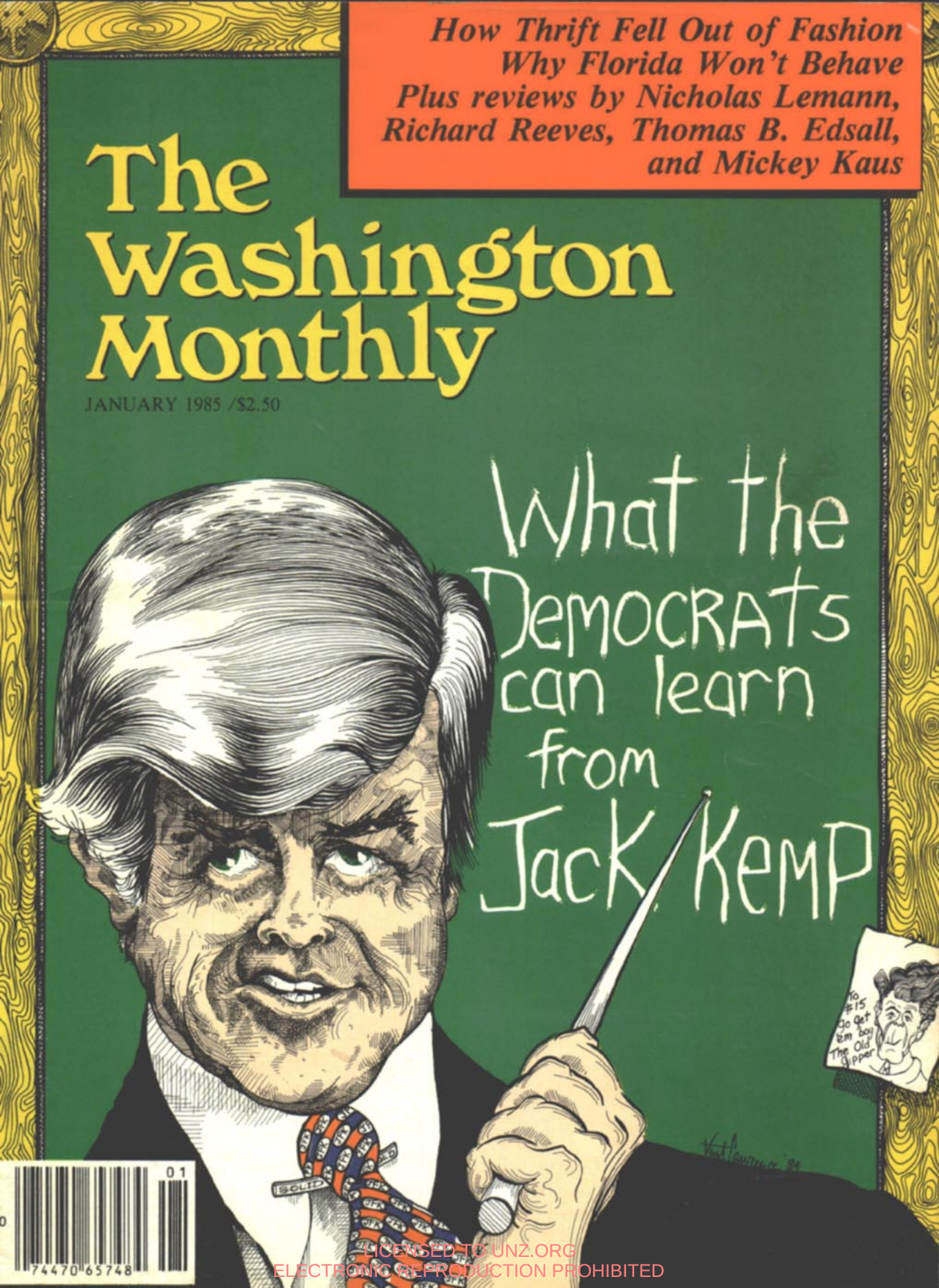

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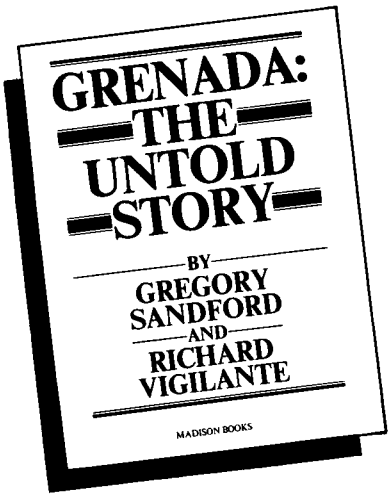


Grenada: The Untold Story

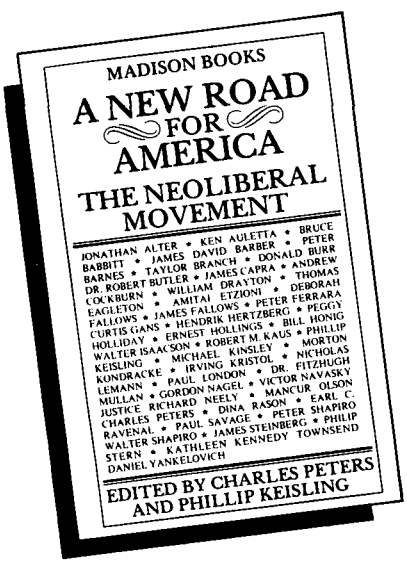
by Gregory W. Sandford and Richard Vigilante

Based on captured documents only recently declassified, this startling, in-depth account traces the rise of Maurice Bishop's New JEWEL Movement to its collapse following the murder of Bishop and his close associates by a Communist faction within the Grenadian government and the subsequent intervention by other Caribbean islands and U.S. armed forces.

Grenada: The Untold Story reveals the shocking story—the secret Communist agenda, never revealed to the Grenadian people—the secret military agreements, and details for the first time the full extent of Cuban involvement.

Gregory W. Sandford is a career Foreign Service Officer and served as Consular Officer at the U.S. Embassy in Barbados in 1980-81. Richard Vigilante is a Washington-based journalist and television producer of documentaries.

Cloth, 220 pages, 0-8191-4310-3 $13.95



A New Road for America: The Neoliberal Movement

edited by Charles Peters and Phillip Keisling

Developed from a 1983 conference sponsored by *The Washington Monthly,* this new work represents a broad-based manifesto for the neo-liberal movement, including contributions from Ernest Hollings, Thomas Eagleton, James Fallows, Hendrik Hertzberg, Donald Burr, Victor Navasky, Michael Kinsley, Morton Kondracke, Daniel Yankelovich, Irving Kristol, and others. Charles Peters, the "godfather" of the neoliberal movement, is Editor of *The Washington Monthly.* Phillip Keisling is a former editor of *The Washington Monthly.*

Paper, 250 pages, 0-8191-4087-2 $7.95

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LETTERS

A word from the general

As one of the generals in the War Against Poverty, I am overjoyed that Jonathan Rowe was a "spear carrier" ["I Was A Spear Carrier in the War on Poverty," November]. Your article should be able to touch the hearts and change the thinking, if they think at all, of those who find the successes of the OEO so difficult to comprehend. Congratulations!

SARGENT SHRIVER
Washington, D.C

Sargent Shriver was the director of the Office of Economic Opportunity from 1965 through 1968.

Who lost Camp David?

David Ignatius's well-written analysis of the Middle East situation ("The Middle East is Everybody's Fault," November) is otherwise marred by his faulty conclusions concerning the American position in the Middle East, particularly his reference to President Reagan's misguided 1982 peace initiative.

The U.S. ambassador to Israel, Samuel W. Lewis, in referring to Reagan's peace initiative, said that the "timing was abysmal, tactics of presentation worse, and the outcome nil" (*The New York Times*, October 31, 1984). With all the blood, sweat, and tears that went into the 1979 Camp David agreements, Reagan, at one fell swoop, sabotaged the Camp David agreements:

1. Camp David left open the final status of the West Bank and Gaza, subject to mutual negotiations within a certain time frame. These negotiations were to commence "not later than the third year after the beginning of the transitional period." The transitional period was five years. Reagan's plan envisaged the West Bank's political and physical merger with Jordan, thereby nullifying whatever claims to the area Israel had, and also killed Camp David's projected negotiations, thereby assuring the complete exclusion of the Israelis from this Palestinian homeland.

2. Camp David makes no mention of Israel's West Bank settlements. Begin, by separate letter, agreed only to a three-month moratorium on settlements, pending negotiation and consummation of the peace treaty with Egypt. Reagan's peace initiative nevertheless referred to a permanent settlement freeze, again undercutting Camp David.

3. On the question of terrorism and Israel's security, the Reagan plan provided for "progressive Palestinian responsibility for internal security" instead of negotiation, as provided in Camp David. The accords set up an organizational framework for both internal and external security. The details were to be worked out between the parties involving an autonomy agreement. The president's initiative, by specifically in advance providing for ultimate Palestinian control over internal security, was really placing the fox in charge of the chicken coop, thereby completely demolishing Camp David.

In sum, the president's initiative knocked the Camp David agreements into a cocked hat. This was why it was immediately rejected by Israel, and subsequently by Hussein of Jordan.

IRVING LEVINE
Great Neck, New York

DIVAD and Conquer

I enjoyed reading Gregg Easterbrook's article on DIVAD in the November issue ["Why DIVAD Wouldn't Die"]. I hope he will reconsider his promise not to write on the military again. Mr. Easterbrook has both an understanding of and a respect for the military, a rare combination. He is also a good writer. We need people like him to keep us informed about the military.

I was interested to read that the HAWK missile is considered too elaborate to move around during combat and could not protect troops and tanks. When the HAWK (Homing All The Way Killer, in case you have forgotten what the initials stand for) first appeared, the protection of troops and tanks was exactly what it was supposed to do. It was touted as a highly mobile, front-line support weapon. I served as a platoon leader in a HAWK battery in 1961-62 and much of our training was devoted to moving from one spot to another and quickly preparing to fire. We were supposed to fight as infantry when needed and several of the noncommissioned officers had fought as infantry in World War II and Korea. We were armed with the latest rifles and there were several (six, I believe) heavy .50-caliber machine guns in each battery. Which was a good thing, as the battery in which I served in Bamberg, Germany from June 1961 to May 1962 had no missiles. Since the HAWK is no longer considered a front-line weapon, I suppose someone finally realized that it was not all that mobile after all. Or they added more equipment, making it even more cumbersome.

If attack planes are flying at World War II speeds and if our Vietnam jets and helicopters were shot down with visually aimed guns and if Afghan rebels are shooting down the most advanced Soviet planes with visual sights, why is no one disputing the army's need for a new antiaircraft weapon? Why is the Vulcan outdated? It appears to me, after reading your article, that even the old German 88 is not outdated. And if the Stinger has a limited range and might not bring down aircraft even if it hits it, why are you touting the Avenger as what to build instead?

PETER R. NEAL
Hillsborough, N.C.

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The article by Gregg Easterbrook was amazingly informative. I am surprised at the depth of his knowledge in the area and frankly amazed that he was able to obtain it. There are, however, a few points in which he erred: 1) If the DIVAD Doppler radar cannot track a helicopter, then how could it lock onto a latrine fan? 2) Although at any instant in time an aircraft *is* just a blip on a radar, its time *history* gives a wealth of information on velocities and accelerations. Given suitable algorithms and processing power, both of which *do* exist, a future flight path *can* be extrapolated. I will admit that this requires state-of-the-art technology, but it is possible. 3) DIVAD *does* have an optical sight and can be aimed by a human, something which was never mentioned and almost denied. 4) Aircraft seldom do highly evasive maneuvers when engaging a target.

Otherwise, this was a great article.

ROBERT SETBACKER
Santa Barbara, California

The author replies:

In addition to offering their kind comments, Mr. Setbacker and Mr. Neal raise points that I simplified to spare readers mind-numbing page length. When writing about the miltary, reporters face the choice of completely unfolding all technical questions, which results in stories frighteningly viscous to the average reader; or speeding past selected ramifications, which results in stories close followers of the subject find incomplete.

To answer Mr. Setbacker's concerns: First, it is technically possible for Doppler radar to track a hovering helicopter but impractical except under ideal conditions. Basically a Doppler radar requires a moving target: the fuselage of a hovering helicopter, being stationary, escapes detection. The mast and blades of a hovering helicopter do move and can be tracked but are only a fraction of the size of the helicopter itself (especially when the helicopter is near the ground and viewed in profile). All of which makes for a smaller target, which can be picked up only at close ranges—like trying to find an airplane by tracking the tip of one wing. Also for each helicopter blade moving toward the sending radar, another blade is moving away, tending to generate contrasting echoes that interfere with each other as do waves meeting in the sea. The latrine fan, mounted upright relative to DIVAD, did not produce this coming-and-going effect.

Mr. Setbacker is correct to note that computers can make a reasonable guess where a plane is going by analyzing flight paths, and DIVAD has such computers. But it's still a guess; random jinks cannot be predicted. Antiaircraft gunners make similar guesses, using intuition at a much lower cost. He is also correct to note that DIVAD has optical sights, but they are poor ones, as all the money has gone into electronic aiming. Sitting in DIVAD it's hard to see the outside world, let alone scan the skies. Having written about this project more than once, I sometimes lose track of what was said where—details on DIVAD's optical sights can be found in my original *Atlantic* article, as can more details on Mr. Setbacker's point about evasive maneuvers, the short version of which is that while attack aircraft must fly straight and level in the instant they are firing at their targets, this phase often lasts only a second or two. Flying in and out, they can jink violently.

The Hawk missile Mr. Neal worked with in the early 1960s has been superseded by a more complicated version called I-Hawk. The Vulcan gun, presently the U.S. Army's main antiaircraft cannon, is not outdated in concept, only in that the mechanical parts don't run very well. Vulcans are hard to aim and awkward to reload; similar new guns from NATO countries and from General Electric, builder of Vulcan, operate much more smoothly. Mr. Neal misunderstands me on the last matter. The story did not tout the Stinger/Avenger vehicle as the answer to DIVAD. I cited this project as an example of the fact that successful weapons development need not involve commando raids on the U.S. Treasury, then said, "If mounted Stingers are what the Army wants [Avenger] is a much cheaper way to get them. . . however there are still cheaper and more effective alternatives," continuing from there to list the many new Vulcan-like systems, in use in nearly every major army in the world except ours, as the best alternatives.

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Appointed rounds

Oh, *come on Washington Monthly*! In an October edition full of fascinating polemics against the oversimplifications of "60 Minutes" and political leaders' simplistic views of foreign affairs, you come up with

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the oldest canard yet about the U.S. Postal Service—an isolated anecdote about a misdelivered letter ["Tilting at Windmills,"].

I can give you a dozen recent anecdotes about misaddressed letters that dedicated Postal Service employees, against long odds, managed to deliver to the intended recipients.

But neither kind of anecdote is representative. More to the point is the following: During fiscal year 1983, the U.S. Postal Service delivered 64.25 billion pieces of first-class mail, the overwhelming majority of it properly addressed and properly delivered, on time and without complaint.

If *The Washington Monthly* is really interested in bashing oversimplifications, you'll give our 547,328 employees credit where it's due. They are dedicated and effective and they're continually getting better.

DON HILL
Washington, D.C.

Don Hill is general manager of the public affairs division of the U.S. Postal Service.

Sugar kings redux

Your article, "Everything You Always Wanted to Know About Foreign Policy" (October 1984), suggesting a transformation in U.S.-Cuban relations by permitting Havana into the American League may be more serious than you realize.

The League of United Latin American Citizens, the nation's largest Hispanic membership organization, recently returned from 35 hours of high-level personal meetings with Castro and other top-level Cuban officials regarding "baseball diplomacy." We discussed the parallel between a baseball exchange and the "ping-pong diplomacy" that led to improved relations with the People's Republic of China.

As a first step, Cuba has authorized LULAC, without any strings attached, to negotiate for a three-game exhibition series against any major league team beginning this spring. The games could be played in the United States and/or Havana.

The key unknown is what position the new commissioner of baseball, Peter Ueberroth, will take; he is presently considering LULAC's request. A recent poll taken at a San Francisco Giants-Los Angeles Dodgers game demonstrates strong fan support. An overwhelming 86 percent favored a major league team in Havana. Hopefully, the two world leaders most interested in baseball will decide to give the fans what they want. If they do, we might well have a major league team in Havana before the end of this century.

MARIO OBLEDO
Washington, D.C.

Mario Obledo is president of the League of United Latin American Citizens.

THE WASHINGTON MONTHLY

Journalism Award

for October 1984 is presented to

Frontline
WGBH

In its television documentary, "So You Want to Be President," "Frontline" followed the primary campaign of Senator Gary Hart, capturing with its cameras one revealing moment after another; for example, Pat Cadell congratulating Hart for "winning" the Atlanta debate in which Mondale had first asked, "Where's the beef?".

The Monthly Journalism Award is presented each month to the best newspaper or magazine article (or series of articles) on our political system. Nominations from any newspaper or magazine in the country are welcome. The subject can be government in its federal, state, or municipal manifestation.

The award for articles published in December will be announced in the March issue. Nominations will close January 15. Nominations should be accompanied by two copies of the article or articles.

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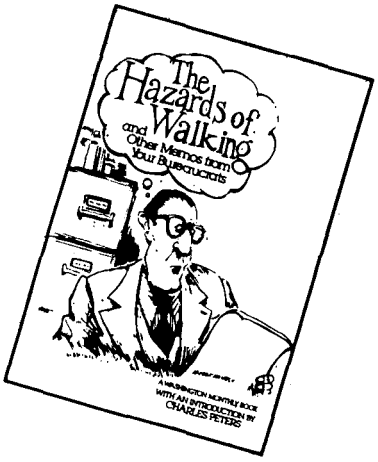
The Best of the
MEMO OF THE MONTH

The Hazards of Walking and Other Memos from Your Bureaucrats



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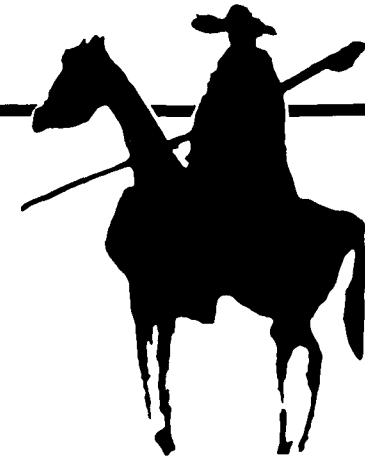
TILTING AT WINDMILLS



Those of us who follow baseball and football are familiar with a phenomenon that has come to be called "jock journalism." This is the practice, increasingly common in television, of having a sport covered by its former coaches and players. Sometimes they are inarticulately unsuited to their new calling. Sometimes they are so uncritically loyal to their old colleagues that they come across as tiresome cheerleaders. But sometimes—John Madden is an example—they provide insight into what is happening on the field that the traditional journalist with no actual experience in the sport is incapable of giving.

Why not apply this lesson to other sectors of journalism? Have former congressmen cover elections, former bureaucrats write about the executive departments, and former businessmen give us the inside skinny on corporate America? Of course, this new breed of journalists would have to be selected with care to avoid the losers we have seen among the jocks. They need to have not only actual experience in the field but the ability to describe that experience and to see what was bad about it as well as what was good—what worked and didn't work and why. But so selected, they can give us something other journalists can't—the feel of what it's like out there on the field, of what goes through the players' and coaches' minds, the choices and the limits as perceived by the participants themselves.

You don't have to spend a lifetime in sports to gain this understanding. A few years and a good mind are often enough. The same applies to other fields. This suggests that professional journalists could be encouraged to take a few years off to acquire firsthand experience in areas they cover or to get that experience before they enter journalism. . . .

The *Wall Street Journal*'s account of a recent business seminar in which T. Boone Pickens told about Mesa Petroleum's attempt to take over Gulf ended with this paragraph:

"When Mr. Pickens completed his description of the Mesa strategy in the Gulf matter, many in the audience departed with his entourage. Only about half remained for

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the next topic—'Ethical Considerations' in takeovers.". . .

Speaking of ethics, I know you want to hear the latest on what our friends at the bar are up to. In my hometown, 20 lawyers at the leading law firm contributed to the campaign of a Democratic candidate for the Supreme Court between the primary and general election campaigns. The candidate was unopposed in the general election. . . .

And speaking of lawyers, where do you think the Kentucky Academy of Trial Attorneys is holding its next seminar? Louisville? Lexington? You know better by now. I bet you're already guessing Miami Beach or San Francisco. Well, you're just not in the same league with Kentucky lawyers. They're going to Kitzbuhel, Austria. Tax deductible, of course. . . .

Another tax-deductible excursion is offered by the International Collectors Associates on February 2-19. It's the Eighth Annual Financial Tour of the Gold Fields of South Africa. The trip—by South African Airways, of course—offers a unique opportunity to maximize virtue. The tax deductibility means that it will transfer money from the citizens of this country directly into the hands of all those nice white folks in South Africa. . . .

Our final travel note comes from the Democrats who, seeking the right place to reflect on their loss after the November election and to launch their crusade to recapture the allegiance of the common man, chose St. Thomas in the Virgin Islands. . . .

How do the powerful make you wish you hadn't sued them no matter how just your cause? The case of *Gray v. American Express* is instructive. Mr. Gray's credit card was canceled during a bona fide dispute over an item for which Gray had been billed. Such cancellation is illegal. If it were otherwise, American Express would be able to tell its card holders, "Don't disagree with us, Buster, or we'll cancel you." The illegality of the cancellation was compounded by the indelicacy of Gray's notification, at American Express's instruction, at a restaurant where he and his wife were celebrating their 15th wedding anniversary. Feeling that he had been unjustly dealt with, as indeed the court later ruled that he had, Gray sued.

Did American Express say they were sorry? Not on your life. They not only fought the suit but they did so with exhaustive use of a device called interrogatories. These are pre-trial questions that can, if relevant, be useful in developing facts and refining issues. But another way to use them is to torment your adversary with excessive demands on his time and pocketbook (the latter is involved because of his legal expenses). In this case, the court observed:

"The various sets of interrogatories and answers are in the hundreds of pages. They run as far afield as inquiring the name of every law firm that plaintiff [Gray] had been affiliated with since 1951 to asking all of the 'professional credentials' that he had acquired in a lifetime; from psychiatrists consulted since 1978 to meals eaten at the fated restaurant since the suit was filed.

"The length, scope, and detail of the inquiries propounded by American Express suggests," concluded the court, "a strategy of attrition rather than a legitimate discovery of the facts.". . .

My friends in public broadcasting keep telling me that it is not elitist. I have always answered that I never saw a football game on PBS. But I can't say that anymore. On November 24 they finally carried football: the Harvard-Yale game. . . .

Last month we published an article by Phillip Keisling about how young parents think they have to make a lot of money and are thus unable to take off enough time to stay home with their children. Now comes *USA Today* with another reason why parents need money. They're buying coke. "Cocaine," the story reports, is now "the drug of choice among middle-class Americans" and "the fastest-growing group of users is the baby-boom generation, ages 24-40"—in other words, today's parents. . . .

The mind of Hollywood was never captured better than in this comment by Michael Fuchs, president of Home Box Office, about the film, *Sakharov*: "Americans don't understand the risks he took. If an American did what Sakharov did, he'd get a book deal, a movie out of it.". . .

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The Grace Commission has called attention to the growing impact on the deficit of federal retirement programs for the government's civilian and military employees. But, as from time to time we warn our readers, the federal programs are but the tip of the iceberg of the government employee retirement problem. State and local governments face situations that are often worse. Take the case of a Georgia judge, described by Durwood McAlister in the *Atlanta Journal*. The judge has just retired at age 54 with a pension of $57,456 a year. "Over the years," writes McAlister, "he had contributed $26,123 of his own money to the retirement system, plus $13,944 in interest—a total of $40,067. He will get all of that back, and more, in his first ten months of retirement." Guess who pays for the rest?...

But American public servants are pikers compared to those who labor for the United Nations. Mid-grade UN civil servants retire with $40,000-a-year pensions *plus* retirement bonuses of $184,500. An undersecretary general of the UN gets a $75,000 pension plus a bonus of $343,500....

A little good news:

1. According to Bernard A. Goldhirsh, the publisher of *Inc.* magazine, entrepreneurship is exploding in the United States. He says that, where 180,000 new businesses were started in 1963, the figure was 600,000 in 1983.

2. The U.S. Savings Bond—which, with its low interest, was for years one of the most disgraceful examples of how the average man was screwed by the system—now pays a decent return. For the November-May period it is 10.94 percent, which isn't bad at all....

While I was in the Army in 1945, someone gave me a subscription to "In Fact," a newsletter published by a man named George Seldes. Seldes had a lamentable tendency to use the word fascist as a synonym for conservative. But he was also—like Izzy Stone after him—a brave exposer of sellouts by the press in an era when a lot of selling out was going on. His newsletter was one of the few places one could find the facts about the dangers of tobacco and about the suppression of those facts by the press.

Today's papers print the facts about the danger of tobacco, but at the same time they publish advertisements that make smoking seem sexy and sophisticated. They say they do this out of their deep respect for the First Amendment rights of cigarette manufacturers. But while the publishers refuse to censor the tobacco industry, they habitually censor advertisements that are sexually explicit. Since sex does not endanger the health of the average man and smoking does, one can only conclude that the publishers are influenced in their censorship choices by the fact that tobacco is their leading source of advertising revenue.

This is a moral problem from which publishers should not be permitted to hide. Yet more than 99 percent of the writers who have the skill to arouse public opinion on this issue remain silent. Why?

I know some readers are asking, why are you writing about this again? The reason is that hardly anyone else is doing so. I remember George Seldes and I don't want to see his banner fall in the dust....

You have probably heard about Mike Royko's suggestion that voters should lie to exit pollsters. You may not have heard that a disc jockey in Salt Lake City named Tom Barberi picked up Royko's idea and started propagandizing his listeners about it. The result was the exit polls for the local congressional race were completely fouled up. Everyone should do the same thing in the next presidential election and continue doing so until the networks abandon exit polling entirely....

Did you see what David Owen, the leader of Britain's Social Democratic party said about Margaret Thatcher and Neil Kinnock, the head of the Labor party? "She does not care and he does not dare." The same could be said of the leaders of the Republicans and Democrats here....

The lowest suicide rate is among mothers with young children. The highest is among bachelors. More than anything else, we need to be needed....

The other night I was watching a television news segment on the growing frequency of hunting

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accidents. The announcer said, "A few hunters are dangerously reckless, but the great majority are safe." Why do people always cushion criticism of groups by excepting "the great majority"—as in "of course a few lawyers are crooked" or "a few doctors are greedy" but "not the great majority"? In each of these cases I suspect the "great majority" usage grossly underestimates the number of sinners involved....

I continue to worry about the flight from the public schools. *The New York Times* recently reported that private school "applications have risen dramatically in recent years," and, even more significantly for a general circulation newspaper, published a long article of advice to parents on how to get their children into private schools: "testing a four-year-old's ability is generally the most stressful part of the process." Who are the parents of these children? A lot of them are public school teachers, according to *The Chicago Reporter*, which says that Chicago residents who are public school teachers are more than twice as likely to send their children to private schools than the population in general....

In both government and in large corporations, the automatic annual raise—in the federal bureaucracy it's called a "step" increase—is expected without regard to performance of the individual or of the organization of which he is part. The nation has become so bureaucratized that when one company, Bell Atlantic, recently abolished the automatic raise, the story was deemed noteworthy enough to produce a headline: "Bell Atlantic Pegs Pay to Performance."...

By the way, the administration's proposal to reduce the salary of federal employees by five percent is sound. A few are underpaid and should get raises, but "the great majority" are paid enough or too much....

Have you heard about the blind high school student in Peoria, Illinois who was being forced to take a driver's education class in order to graduate? "She will be a passenger and a pedestrian and who knows," her principal said, "she might have to drive." The girl's parents appealed to the Illinois Board of Education. The board's decision: She doesn't have to take driver education, but Peoria has to provide her with a special safety course, in which she will be the only student in the class....

The Washington Post has continued the bizarre practice that we noted here last month of burying consumer safety stories in the "Business" section. The latest example: a story headlined "CPSC to Parents: You Better Watch Out, Toys Can Pose Holiday Hazards to Young Children" and one beginning, "Two local drug store chains and a New Jersey company are recalling thousands of oscillating fans that may be a fire hazard if they overheat."

Does this mean that the *Post* thinks that only businessmen and investors deserve to be protected from safety hazards? Or does the *Post* assume that its readers are interested in such hazards only as they might affect the fortunes of the businesses involved?...

Another kind of advertising that worries me is the television commercials for cars that show the vehicle careening recklessly over streets and highways at rates of speed obviously way over the speed limit. Why is it important to know that the car performs well under such circumstances—unless the driver is subtly being invited to put it to just such a test?...

Recently a witness told the President's Commission on Organized Crime how easy it was to launder money from Columbian cocaine trafficking in America. How did he get the money into the United States? In a suitcase. Did he have any difficulty getting the suitcase through customs? No, he said. When U.S. customs agents saw the vast amount of cash in his suitcase, they offered him a police escort to the bank. To launder the money, he used, according to a report by Loretta Tofani in *The Washington Post*, "the Great American Bank of Dade County in Miami and the Deak-Perera currency exchange in New York." He used a fictitious name. He says he told the tellers at Deak-Perera the name was fictitious. "I just told them that I needed an account under a fictitious name in order to operate."...

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Let's outlaw large cocktail parties. The prohibition would have to be carefully drawn to take account of both the size of the guest list and the size of the room. At some point on the upward scale for the former and the downward for the latter, an unbearable din is achieved in which any real communication is impossible. With strained shrillness, voices try to bridge the six-to-twelve-inch gap that separates the guests. Anxiety is continuous. Is your companion stuck with you? If not, why is he or she constantly looking over your shoulder? Maybe you're just not important enough. Or maybe he or she is afraid that *you* feel stuck. The result, as heads begin to ache, is that each of you turns away saying, "Can't I get you another drink?" only to rush directly into the path of someone you said the same thing to five minutes earlier....

The Forest Service has a policy of selling timber from government land to private industry. To get the wood, the Forest Service constructs thousands of miles of remote roads that tear up the national forests and generally disrupt the environment. That's too bad, you say, but we need the money—we have that gigantic deficit. But the timber sales don't reduce the deficit. They add to it. Since 1980, by the Forest Service's own figures, the government has lost $2.4 billion on its timber-sale program....

My favorite paper, *The Charleston Gazette*, ran an editorial the other day that should have appeared earlier in the nation's leading newspapers:

"It won't happen, but if Lane Kirkland, president of the AFL-CIO, had any sense of decency and of honor, he would resign.

"Kirkland's grand strategy put his union, months prior to 1984's general election, 100 percent not only behind the Democratic Party's presidential candidate but also behind a particular candidate seeking the office, former Vice President Walter Mondale. The result of that planning ended in a disaster on Tuesday, November 6.

"Predictably AFL-CIO strategists are doing their utmost to absolve themselves and their leader of all blame for the disaster. Mondale is the villain in their script for having conducted an abysmal campaign.

"Rats are leaving the sunk ship. Vic Fingerhut, who takes polls for Democrats and often toils for unions, says: 'The unions delivered their vote in the face of an incredibly stupid Mondale campaign.'

"Ah, but what Fingerhut has forgotten is that a man who ran the 'incredibly stupid Mondale campaign' is the candidate Kirkland and the AFL-CIO selected for Oval Office stardom before the presidential primary season started.

"Why was so inept a champion chosen?

"Nobody compelled Kirkland to endorse a presidential candidate so early. Many union leaders at the time termed this a mistake, but Kirkland and his cronies bulled their choice through. Under that circumstance don't they have an obligation to confront the consequences of their actions?"

The reason this editorial has not been written by Washington journalists is that Lane Kirkland is a friend of theirs and has been for years. He goes to the same parties, he's a good source, and a good fellow. And, after all, he has one of the best wine cellars in Washington....

—*Charles Peters*

You Can Help

Sometimes it's easy to forget how much The Washington Monthly depends on its readers. Our Memos of the Month come almost entirely from you. Clippings from readers' local papers inspire many of the items in Tidbits and Outrages and Tilting at Windmills. Readers help us in countless other ways, calling with tips for stories, giving their friends subscriptions, or just making sure we're on the shelves of their local newsstands, bookstores, and libraries.

If you live in the Washington area, you may be able to help us as a volunteer in our office–with production, screening manuscripts, proofing, and occasionally even stuffing envelopes. Just drop us a note telling us the work you're interested in, your experience, and the times your available.

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WHO'S WHO in the Administration

Did you scratch your head when the White House proposed that Reagan and other top officials take a 10 percent pay cut? Did they at last see the point of having those who are well-off share in the sacrifices they ask of others? Unfortunately the answer is no. The idea didn't come from Reagan or any member of his staff. It was **Bob Dole**'s....

Samuel B. Pierce Jr., the secretary of Housing and Urban Development, is said to be planning to leave within the next year to resume the practice of law with his old New York firm. A good many administration lawyers have similar timetables for their exits. The financial rewards of the law tend to fall most generously on those who leave while their old administration friends still have a few years left in power. That way the departing lawyer—and his potential clients—know that he still has the right phone numbers....

Our sources tell us that the White House will try to satisfy **Jeane Kirkpatrick**'s frustrated ambition, which has led her to announce that she will return to private life, with a manufactured job that will sound impressive but will not give her the power she wants. The negative word about her at the White House is that she's indiscreet....

The man most likely to replace **Nancy Harvey Steorts** as chairman of the Consumer Product Safety Commission is Commissioner **Terrence M. Scanlon**. Scanlon's a Democrat, but his politics have not endeared him to the consumer movement. For example he was the only member of the commission who voted to allow companies to export products that CPSC deemed unsafe for Americans....

The Reagan White House continues to live out the worst nightmares of Moral Majoritarians in the conduct of various high officials' private lives. One prominent male member of the White House staff took a trip while the president was in Santa Barbara. The official word given the White House press corps was that he was on a brief vacation. The reporters knew he was in the company of a young woman who was not his wife—that is, all but one of them did. That reporter sent out a story over the wires that mentioned the staff member's being on vacation. His wife had been under the impression that he was hard at work and was not amused. At the same time a senior male member of the national security staff has been carrying on simultaneously with a female subordinate and a female television reporter....

In

DEFENSE

Principal Deputy Assistant Secretary for Public Affairs—**Fred S. Hoffman** has been a Pentagon correspondent for the Associated Press.

STATE

Assistant Secretary for Public Affairs and Department Spokesman—**Bernard Kalb** has been State Department correspondent for NBC News.

TREASURY

Deputy Assistant Secretary for Public Affairs—**Roger Bolton** was director of speechwriting for Reagan-Bush '84.

AGENCIES AND COMMISSIONS

Postmaster General, United States Postal Service—**Paul N. Carlin** has been the Chicago regional postmaster.

Administrator, Environmental Protection Agency—**Lee M. Thomas** has been assistant administrator in charge of the agency's hazardous waste programs.

Out

AGRICULTURE

Deputy Secretary—**Richard E. Lyng** will resign.

Assistant Secretary for Economics—**William G. Lesher** is resigning.

Assistant Secretary for Natural Resources and Environment—**John B. Crowell Jr.** is returning to Portland, Oregon to practice law.

HEALTH AND HUMAN SERVICES

Assistant Secretary for Legislation—**John F. Scruggs** is joining the lobbying firm of Gold and Liebengold, Inc.

HOUSING AND URBAN DEVELOPMENT

Undersecretary—**Philip D. Abrams** is leaving to establish a building and construction company in Denver, Colorado.

INTERIOR

Assistant Secretary for Land and Mineral Management—**Garrey E. Carruthers** will teach at New Mexico State University.

Assistant Secretary for Indian Affairs—**Kenneth L. Smith** is returning to his Oregon ranch.

Director, National Park Service—**Russell E. Dickenson** will retire and serve on the National Parks Advisory Board.

STATE

Assistant Secretary for Public Affairs and Department Spokesman—**John Hughes** is resigning to return to journalism.

TREASURY

Deputy Treasurer—**David Q. Bates** will join the Washington office of the Houston law firm of Reynolds, Allen & Cook.

AGENCIES AND COMMISSIONS

Administrator, Environmental Protection Agency—**William D. Ruckelshaus** has resigned.

Chairman, Consumer Product Safety Commission—**Nancy Harvey Steorts** has resigned.

Chairman, Civil Aeronautics Board—**Dan McKinnon** left on December 31. The agency closed that day.

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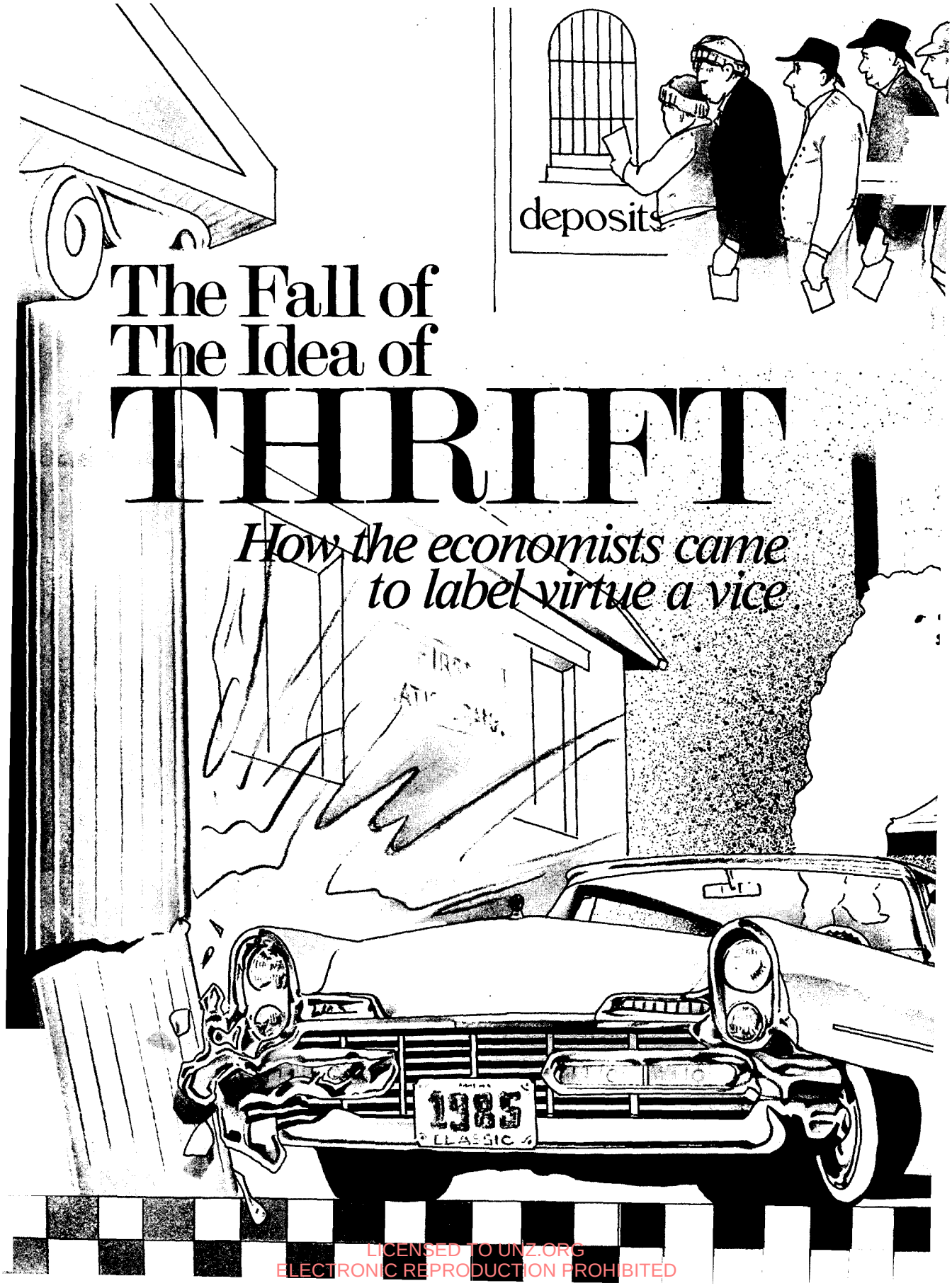

The Fall of The Idea of THRIFT

How the economists came to label virtue a vice

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by Phillip Longman

During the early months of 1958, as the unemployment rate approached a new postwar high of 6.8 percent and business profits slumped, the Eisenhower administration found itself besieged from all quarters with demands that it take drastic action to avert the coming depression. Ike listened to the prophets of crisis, and chose his course: he twice went before the public to admonish that it was Americans' patriotic duty to save less and to Buy Now.

Phillip Longman is a Princeton, New Jersey, writer.
Illustration by Byron Peck

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Advertisers across the country immediately seized upon this happy new presidential theme, launching hundreds of "confidence" or "prosperity" drives to reinforce Ike's message to the consumer. An association of Cleveland auto dealers invented the slogan "YOUAUTOBUY"—later adopted by the whole industry—and was quickly rewarded with invitations to the White House and a favorable mention at Ike's weekly news conference. Businessmen in Boston offered "POPS," for "Power of Positive Selling"; Cleveland city fathers elected a "Miss Prosperity" to reign over antirecession parades and street rallies.

In April *The Wall Street Journal* reported that "a massive antirecession psychological offensive. . . is just getting under way in nearly every major city in the U.S. Already in existence are 'Operation Optimism,' 'Keep Detroit Dynamic,' 'Crusade for Confidence,' 'Buy and Be Happy,' and 'O.K. Ike.'" Even the banks joined in the siren call, abandoning their usual admonishments to thrift. "Ah gwan," the Bank of Saint Louis urged in a Sunday newspaper ad, "buy that new car." Another bank in St. Louis had a similar message for would-be savers: "In times such as these, excessive savings can be as harmful as excessive spending." Auto dealers in Essex County, New Jersey, according to the *Journal*, mounted a joint radio campaign to warn the public: "Buy Now. The Job You Save May Be Your Own." Elsewhere in New Jersey, a tire store used the slogan "Buy, Buy, Buy," adding, "It's your patriotic duty."

Out of such raw material was woven that great, wooly, socio-economic paradigm of the 1950s: the idea of the Mass Consumption Society. Ike's faith in the power of positive selling was evidence of a powerful, new, bi-partisan consensus in American economic thought: that, for better or for worse, the nation's future prosperity no longer depended much on individual savings, hard work, or initiative but more on the present population's propensity to consume.

A penny spent

In the 1870's a most eminent Victorian and popular moralist, Samuel Smiles, became famous for his lively defense of the opposing notion, then the orthodoxy of the striving middle classes in both Europe and America. "It is the savings of the individual which compose the wealth—in other words, the well-being of every nation," Smiles asserted in a relentless volume entitled simply, *Thrift*. "On the other hand, it is the wastefulness of individuals which occasions the impoverishment of states. So it is that every thrifty person may be regarded as a public benefactor, and every thriftless person as a public enemy." For Smiles, as for most Americans of his era, individual thrift was not only a virtue in itself; its widespread practice was considered a first requisite of civilization and nation-building.

Why is it that today, such adulation of individual thrift is virtually absent from our economic debate? Oddly, it is still official U.S. policy to encourage many other nations to submit their citizens to a strict regime of thrift. In the cases of Brazil and Mexico, for example, we have been quick to call for "austerity plans" as a condition for further credit. When it comes to others, we readily acknowledge that no nation can continually borrow in order to finance personal consumption; we insist, in effect, that the citizens of these debtor countries adhere to an ethos of thrift, as our Victorian forebears once did, to furnish capital necessary for economic growth. Yet even as the U.S. is now rapidly reverting to its nineteenth-century status as a net debtor nation, no one here is proposing that we once again celebrate individual thrift as a social virtue.

Instead, we debate the size of the federal deficit, the money supply, the value of the dollar, tax rates and other technical, microeconomic factors. Yet our present debt crisis is also bound up with what John Maynard Keynes liked to call "the habits of the community"—specifically, in the general demise of the thrift ethos over the last generation. Consider, for example, that despite the enormous federal deficits incurred under Reagan, the amount owed by individual debtors (approximately $1.7 trillion) is still, as of this writing, greater than the national debt. During just the past four years, consumer installment buying has increased by almost 30 percent. In the first half of 1984, mortgage and consumer borrowing together absorbed more than 38 percent of all funds raised in the U.S. credit markets. The debts of people, no less than those of the state, are depleting the supply, and running up the cost, of capital available for productive purposes.

That even middle-class citizens now typically neglect to save enough to pay their own way through retirement or to be secure against even a small reversal of fortune causes a clamor for "entitlements," which of course prompts in turn still more public borrowing. These trends argue for a fundamental change in our thinking about the respective roles of individual savings and consumption in our society. Such changes, however,

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The thrift ethos hasn't always been the province of Wall Street Republicans. During the twenties the liberal Thrift Movement promoted values and themes that presaged the environmental movement of today.

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will not come easily. Despite their new "supply-side" rhetoric, conservatives have, by and large, renounced their traditional role as defenders of the thrift ethos, celebrating instead the idea that the nation can borrow and spend its way to lasting prosperity. (See "What the Democrats Could Learn from Jack Kemp," page 28.) Yet for liberals, especially, the question of how best to oppose this spend-thrift policy poses tremendous difficulties. At their root is liberalism's longstanding ambivalence about the purposes of thrift.

Can an ethos of capital stewardship, of principled regard for the financial and economic interests of future generations, be reconciled with the prevailing values and attitudes of modern day liberalism? Or must such questions always be the province of economic royalists—Wall Street Republicans and other rentiers? It is useful to recall that an important precedent for a thrift ethic does exist within the liberal tradition itself.

The reign of the stewards

The Thrift Movement, as it was called, reached its apex in this country, as well as in England, during the early 1920s. In many respects, its values and themes presaged those of the environmental movement of our own time, but with a significant difference. The partisans of Thrift abhorred waste and applauded conservation, but unlike today's conservationists, extended their values to the arena of finance. It was an ethos directly inspired by the conduct of the Great War.

In 1920, the editors of *The Annals of the American Academy of Political and Social Science* devoted a special issue to the Thrift Movement. In an introductory essay, economist Roy G. Blakey explained the philosophy of the cause and its origins in the homefront experience of the Great War. "Many realized for the first time that it was a matter of life and death to thousands of soldiers and of civilians also, whether they wasted or whether they conserved food and fuel," Blakey wrote. "Instead of suggesting stinginess, it came to connote *proper use*. . . . It was closely associated with effectiveness, loyalty, patriotism, victory."

The Thrift Movement was an odd fusion of many diverse interests and constituencies. Andrew Mellon was an outspoken apostle of the cause; so was Stuart Chase, the well-known author and perennial weathervane of fashionable liberal opinion, who in 1928 wrote a popular book called *Waste*. "We are deluged with things," Chase complained, "which we do not wear, which we lose, which go out of style, which disappear anyhow. . . endless jiggers and doodads and contrivances. Here, it seems, the advertiser plays on the essential monkey within us—grabbing for a rose only to pick it to pieces, petal by petal."

Professional social workers of the era, as well as many partisans of the labor movement, also promoted the ideal of thrift or its variant, "wise spending," convinced that it was the surest way for members of the working class to help themselves. Samuel Crowther, in his 1920 book, *Why Men Strike*, connected the thriftiness of the working class to broader social concerns. Universal thrift, he argued, would "not only destroy the budding idea of the proletariat, but also provide ever-increasing facilities for higher production at higher wages. . . . [It] transforms the man from a mere industrial parasite into a sturdy member of society." In his popular *Book of Thrift*, T. D. MacGregor cast the movement in terms of the class struggle. "We the everyday men and women are the backbone of this country," MacGregor wrote. "Let us economize! Let us save! Let us do our share in making this country the great financial power of the world! Our millions of workers can do this, not the capitalists!"

Between 1912 and 1924, the amount of money deposited in savings banks increased more than

Little AMERICANS

Do your bit

Eat Oatmeal-Corn meal mush-
Hominy - other corn cereals -
and Rice with milk.
Save the wheat for our soldiers.

Leave nothing on your plate

UNITED STATES FOOD ADMINISTRATION

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two and a half times, according to a contemporary survey by the American Bankers Association; the per capita savings rate nearly doubled, from $89 to $186. While much of this new thrift was attributed at the time to the aggressive marketing campaigns waged by the nation's banks and insurance companies, as well as to the general rise of wages over inflation, it was also commonly accepted that the new impulse to save was inspired in large part by a genuine social ethos of self-help, conservation, and stewardship.

Capitalist counterpunch

Why did the Thrift Movement fade? Given the threat the cause posed to the immediate interests of mass merchandisers, it is not surprising that the initial assaults came from capitalist quarters—principally from retailers, who found it increasingly difficult to unload their more impractical wares. In 1926, a business group calling itself the National Prosperity Bureau sprang into existence to promote easy spending and thereby counter this threat. As bemusedly reported by *The Nation*, the Bureau was "getting up at four o'clock these cold winter mornings to plaster our shop windows with posters of a figure of Uncle Sam sitting at the throttle of a locomotive. Surrounding him is the inscription: 'Full speed ahead! Clear the track for prosperity! Buy what you need now!' "

The same sentiment emerged in an article in the *The Atlantic Monthly* that same year. Entitled "The Dilemma of Thrift," and written by William T. Foster, a former president of Reed College, and a businessman named Waddill Catchings, the article bestowed new intellectual respectability upon the idea that extravagant spending was now the nation's best guarantee of prosperity. "What a mess we get into!" the authors complained. "We celebrate 'Buyers Week' and 'Thrift Week' at one and the same time. By investing our savings, instead of spending them, we deny ourselves today in order to produce more in the future, although we are already equipped to produce more than we know how to use. . . ." The consumer clearly was the hero under this analysis, while the saver enriched himself at the expense of the common good.

While this formulation was widely and vigorously condemned as heresy at the time, it soon enough became a point of liberal orthodoxy, the first premise of the New Deal economics and of the post-war consumer society. Anyone who has endured freshman economics during the last 30 or so years has probably encountered it in Paul A. Samuelson's all-time best-selling college textbook, *Economics*—the "paradox of thrift." In the 1964 edition of his text, Samuelson instructed, "What once was a social virtue [i.e., savings] may [in times of depression] become a social vice. What is true for the individual—that extra thriftiness means increased savings and wealth—may then become completely untrue for the community as a whole."

Keynes to the kingdom

During the Depression years, the Thrift Movement's emphasis on conservation of natural resources remained an important influence on mainstream liberalism. (There was the Civilian Conservation Corps, for example, and numerous New Deal bureaucracies dedicated to the problems of soil erosion and forest management.) But after the shock in 1929, most liberals swiftly repudiated the ideal of thrift in economics. The downturn, they believed, had been caused by an excess of savings, particularly on the part of the rich; industry was overbuilt, and the only hope for prosperity was to promote the common man's ability, and proclivity, to buy. Stuart Chase was quick to catch the new paradigm. Having published only three years earlier a spirited book in defense of thrift, by 1931 he had almost completely reversed his position. "For what are we accumulating?" Chase asked in a pamphlet entitled *Out of the Depression*. "At what moment in our economic history do we propose to cash in and enjoy the triumph of our thrift?"

The New Deal, as is often noted, began in a spirit of pragmatic experimentation. Though Roosevelt campaigned in 1932 on the promise of a balanced budget, he was not really committed to any particular economic theory: his intention, as he said early on, was to try everything and see what worked. By the end of the first term, the idea that had come to prevail was prosperity through mass consumption, promoted via large deficits, expanded relief, encouragement for organized labor, and other policies that secured the common man against want.

The unfortunate implication—that thrift itself was obsolete, if not socially deviant—was extremely popular, and not only with liberal intellectuals. It became a part of the folk wisdom of the era. Dr. Francis Townsend, promoting his scheme to give every citizen over age 65 a guaranteed monthly check of $200 (financed by a 2 percent national sales tax), was quick to reassure younger citizens that his plan would benefit them as well. "Every person accepting this

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monthly pension," Townsend's proposal stipulated, "shall agree under oath to spend it within the boundaries of the U.S. within 30 days." This free spending by the old, he promised, would bring swift prosperity for all generations. His movement nearly succeeded but was preempted by the passage of the Social Security Act in 1935.

The following year Lord Keynes published his monumental *General Theory of Employment, Money and Interest*. Gauging the book's actual influence on the course of American politics during the 1930s remains tricky, for it was not widely read in this country at the time, even by professional economists. But there is no doubt that Keynes's elegant algebraic demonstrations of the potential imbalance between savings and consumption under laissez-faire capitalism, combined with his fine writing, exalted social standing, and sterling academic credentials, all made a profound impression on certain influential American academics and intellectuals.

Remember, though, that what we now call Keynesianism was flourishing before Keynes's book. Basically, he confirmed popular liberal opinion of the day: excess saving and investment were the major causes of the Depression, and government could provide a cure by incurring large deficits, sponsoring public works projects, and generally redistributing income away from the rich and into the pockets of those more likely to spend it. Keynes, of course, conceived the need for such measures as temporary—at least in his more sober moods. For boom periods, he prescribed that government raise taxes and cut expenditures in order to forestall inflation. But throughout his career, he tended to deemphasize this side of his theory, as did virtually all of his later disciples. As Robert Lekachman would write in the sixties, one of Keynes's significant "successes" was "the weakening of the identification between virtue and thrift."

Were liberals of the 1930s justified in their mounting opposition to thrift? The answer is probably yes, for that point in history. The problem was not so much the New Deal prescription itself as it was the way this particular response to particular economic circumstances took root as a permanent cultural attitude.

Mobilizing for abundance

In the popular estimation of the time, it was the mobilization for World War II that ended the Depression, not the New Deal. While this judgment was a hard point with liberals of the day, it did not upset their arguments against personal and national thrift. Indeed, the war experience itself seemed to vindicate their idea that the nation could borrow and spend its way to prosperity.

In a 1941 book entitled *Boom or Bust?*, Blair Moody, a progressive U.S. senator from Michigan, articulated the lesson most liberals were taking from that year's sudden recovery, as America armed and fed a warring world: "If government spending on arms can make the factories whir," Moody asked, "why cannot the factories and farms be made to whir by the spending of the people. . .?" "In other words," the senator continued, "if we turn our productive power loose when the war is over, and call overproduction by its real name, under-consumption, why would not that provide the answer for which we are all looking?"

Starting in early 1943, a myriad of public and private commissions as well as individuals began issuing manifestos along this line, including (inevitably) Stuart Chase. "Building up our industrial plants over the past 200 years, it has been inevitable that the producer should have first consideration," Chase said in an address given that May. "But now our plant is substantially built. After the war it looks as though it [will] be superbuilt. . . . Large sections of our magnificent new plant will just have to stand and rot, unless we develop methods to get its fabulous output into the hands of the people, unless we have mass consumption."

Whereas the home-front experience of World War I had inspired a widespread abhorrence of waste, and an impulse to thrift in peacetime, the country's leading liberal opinion-makers drew an opposite lesson from World War II: the problem of production had been solved, and the nation's primary postwar challenge was to consume. In 1944, Robert Nathan, an economist and rising star among the administration's braintrusters during the war, wrote in *Mobilizing for Abundance* that postwar prosperity would require fundamental changes, not only in the role of government, but also, and more profoundly, in the culture itself. "People find it hard to believe that if they spend more they will have more," Nathan commented.

For Nathan, as for many liberals of the era, the solution, in part, was to expand "social security," as the term was then used in its broadest sense. So long as the mass of Americans remained financially unprotected against the hazards of unemployment, illness, and forced retirement, they would continue to put away

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In promoting the consumption we need to stimulate the economy, government and business in the postwar era unfortunately have encouraged habits of high consumption and self-indulgence that are harmful to long-term prosperity.

money for a rainy day. "Nobody is going to spend these accumulated savings if he does not know where next week's income is coming from," argued a social security expert named Eveline Burns. But "if a man has a modest assured income, he may be inclined to spend some of these accumulated savings, as the economists hope he will spend them." In other words, the guiding purpose behind the liberal welfare state was not just to protect the unfortunate against life's exigencies, it was also to depress the savings rate and thereby secure prosperity for all.

The American quarter-century

The early postwar years are well-remembered as an era of national preoccupation with foreign intrigues: the Nuremberg trials, the recriminations over Yalta and the U.N., the Berlin blockade, the loss of China, and the mounting hysteria over communist infiltration of the State Department and other institutions of government. We tend to forget the anxiety most Americans also felt concerning the economy. In 1946, successive strikes against the auto companies, Big Steel, the coal industry, and the railways paralyzed the country, prolonging shortages of many consumer items for many months. Returning servicemen faced an acute housing crisis and a tight job market. Inflation punished everyone. In light of the national experience since 1929, many doubted that the country could avoid depression for long without the stimulus of another major war.

Within just a few short years, however, these worries not only eased, they gave way to unprecedented economic optimism. This was particularly so among liberal intellectuals. For students of the postwar era, one of the most perplexing riddles is how a generation of leading economists and opinion-makers who had witnessed the surprise and trauma of the great Depression suddenly could become so convinced that the country had entered a new unbounded age of almost automatic affluence.

As it turned out, there was good reason to believe that the country was headed for a prolonged period of prosperity. For the first time in American history, the majority of families would soon own, or at least hold a mortgage on, their own homes; standards of education and health care would improve dramatically; by purchasing on the installment plan, even families with a modest income could soon afford a new car, a television, a dishwasher, garbage disposal, and other household conveniences never dreamed of by the previous generation. Up until roughly the time of the Vietnam war there were persuasive reasons to believe that, as Chase had hinted, the time had come to "cash in on the triumph of our thrift."

First, to many observers, the era between the two wars seemed to be marked by a slow pace of technological development between the two wars. The telephone, the electric light, the airplane, the automobile, the radio—all were invented before the Great War. In the absence of dramatic new inventions, it occurred to people such as Alvin Hansen that capital formation was no longer the pressing concern it once had been. Since the pace of technology had slackened, existing plants and equipment would become obsolete more slowly. The more immediate problem was over-production, which could be cured only by increased consumption.

World War II, of course, brought forth a plethora of new technologies—plastics, jet propulsion, nuclear power—all of which, to be fully pursued, required enormous capital investment. But the war experience also brought forth other, countervailing factors. The baby boom, for example.

The sheer size of this generation seemed to guarantee that the economy would continue to grow, with only a minimum of investment. By the early fifties, the Keynesian notion that consumer demand determined investment was firmly in place and seemed validated by recent experience. Accordingly, many economists were convinced that the baby boom alone would provide long-lasting prosperity; as its members grew older, they would create an ever-expanding market, which, in turn, would automatically call forth new capital investment, as new profit opportunities became available. The prediction turned out to

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be accurate for as long as most members of the baby boom were too young to join the labor force.

Conversely, it occurred to many economists (Samuelson prominent among them) that because of the baby boom, the burden of the compounding national debt, as well as the eventual cost of Social Security and other old age benefits for their own generation, would be spread across a greatly expanded younger population. So there did not seem to be much need to promote increased individual saving for retirement nor to feel inhibited, in the arena of public finance about borrowing against future production to fund the welfare state.

"In dispassionately analyzing the growth of the [national] debt, one error we must avoid," Samuelson wrote in the 1955 edition of his textbook. *"We must not forget that the real national product of the United States is an ever-growing thing*. Population increase has slowed down but little, and for a long time our numbers will continue to grow. . . .What seemed like a big debt in 1790 would be nothing today. What our children will come to regard as a big debt, our great-grandchildren may consider relatively unimportant."

Finally, after World War II, there was the obvious observation that America had become the most powerful nation on earth. While there was much anxiety about the communists, few people seriously doubted that the country would succeed in at least containing the threat. Accordingly, the nation's existing industrial base and technological superiority seemed secure, at least until the rest of the world recovered from near total economic ruin. In the end, the hopes for an American Century proved exaggerated, of course. But for a long time, the country could reasonably expect to dominate its trading partners without any special effort.

A permanent deficit

How, then, did liberals of the last generation go wrong in disparaging thrift? One lesson we can take from their experience is to appreciate more fully the fragile relationship between our cultural values and the way we manage or manipulate the economy. Between roughly the mid-1920s and mid-1960s there was, in a narrow, technical sense, good cause to believe that some sort of real imbalance existed between what we could produce on the one hand and consume on the other. But the remedy adopted—the systematic promotion of mass consumption—led to an erosion of the traditional American values of work, thrift, and self-reliance. For awhile, we could afford to become somewhat more self-indulgent as a people. Today, the ever-increasing sense of entitlement present even in our middle class has become wholly out of joint with the actual productive potential of our economy.

This raises a hard question. We all, I'm sure, feel the tension between the roles of producer and consumer. Capitalism requires, on the one hand, that the mass of citizens be thrifty, hard-working, and willing to defer immediate gratification in order to build up and finance new production. On the other hand, the system sometimes requires—particularly during periods of recession, when profitable investment opportunities decline—that we consume more and more of the surplus that results from our labor and savings, for otherwise there will be no market for new enterprise. In pursuit of that end, government and business can easily wind up encouraging habits of high consumption and self-indulgence that are inimical to the requirements of production and, indeed, to the long-term interests of the society itself.

As Daniel Bell has written, "By the 1950s, the pattern of achievement remained, but it had been redefined to emphasize status and taste. The culture was no longer concerned with how to work and achieve, but with how to spend and enjoy. Despite some continuing use of the language of the Protestant ethic, the fact was that by the 1950s American culture had become primarily hedonistic, concerned with play, fun, display, and pleasure—and, typical of things in America, in a compulsive way."

By the mid-1960s, there remained little in the nation's mainstream culture that could serve as a check against hedonism and self-indulgence. Government policy since the end of the war had promoted a fantastic expansion of consumer installment buying, and had punished savers through a variety of tax measures and banking regulations that diverted credit away from productive uses. The Wagner Act, Social Security, the G.I. Bill, V.A. and F.H.A. mortgage guarantee programs and other federal measures had made a middle-class income and lifestyle possible for millions who otherwise would have remained on the farm or in the old neighborhood. But such policies did not foster—rather, they tended to erode—those familiar bourgeois values of thrift, initiative and self-reliance that are so essential to the workings of capitalism.

No single idea can possibly explain, of course,

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the unprecedented revolution of American culture during the 1960s. But surely, many of the predominating values of that decade were inspired, or at least informed, by the vague notion that government could secure lasting affluence for all, without any immediate sacrifice of private consumption. While tenured educators, social critics and presidential advisors spoke incessantly of "the challenge of abundance" and "the miseries of affluence," fiscal policy followed Keynesian prescriptions for reversing depressions, although no depression existed.

Academic economists, for example, celebrated Kennedy's enlightened understanding of "the thrift paradox" after he intentionally ran up the projected deficit in the 1964 budget. The measure, now championed by the supply-siders, stimulated the economy to dizzying new heights; but it also marked a dramatic transformation in our political culture: never again would we find the will as a nation to avoid deficit financing of our annual wants, whether in periods of growth or recession. The actual constituency for thrift in government receded at that moment into a permanent minority.

Lyndon Johnson's decision, in 1966, to meet the mounting cost of the Vietnam war through borrowing rather than by increased taxation sealed the pattern. Even in wartime, Americans learned, there was no longer any need for thrift on the home front, no reason to save up victory bonds, endure rationing, or indeed to make any sort of economic sacrifice. Instead the war brought compounding affluence to those lucky enough to stay home. Success seemed to come with no price in self-denial. As growth came to seem automatic, factional greed met with greater public tolerance, since no claim against the commonweal seemed to come at the expense of any other. The needs for which people used to save—retirement or unemployment, a child's education, buying a house—were now met increasingly by the subsidies and tax benefits of the welfare state.

The most important case in point, as far as public finance was concerned, was that of senior citizens, who, beginning in the late sixties, became increasingly militant and effective in their demands for subsidy as a generation. Between 1969 and 1979, nonmeans-tested federal spending for the elderly nearly quadrupled, from $38.8 billion to $148.5 billion. During that same period, the percentage of all federal spending committed to the elderly increased by almost a third, so that by 1979 the 11 percent of the population that was over 65 claimed more than 30 percent of the entire federal budget.

The largest cause of this jump was increased Social Security and Medicare spending. While the skyrocketing cost of these programs partly resulted from the expanding number of citizens of retirement age, large increases in *individual* benefit levels also played an enormous role. By 1982 a typical Medicare recipient was entitled to benefits worth an estimated 22 times the amount he or she had previously contributed to the system in payroll taxes. But most of the increased spending was consumed by members of the middle class. The expectation of such a bonus—of senior citizens' benefits far in excess of one's contributions during one's working years—was a departure from the traditional idea that ordinary, middle-class Americans should strive to pay their own way through life.

Coincidental with this increased spending for the elderly was a transformation in the prevailing attitude toward retirement itself. Increasingly this came to be seen as a positive time of life—a just reward of leisure, travel, and creative consumption. As late as the 1950s, most older Americans, when polled, regarded retirement as an institution solely for the handicapped or infirm, and accordingly hoped to work for as long as they were physically able. But among the present older generation, this ethos has almost completely disappeared. In 1950 more than half the men over 65 were still in the work force, while today that number has dwindled to one-fifth. The percentage of men retiring before 65 has more than doubled since the mid-1950s, despite dramatic gains in life expectancy. As Frances FitzGerald has noted: "In the 1960s and seventies, American parents worried about the kids of the Woodstock generation 'dropping out of the system'; in fact, as we now discover, it was their fathers who were dropping out, in droves."

Thrift and civilization

The constellation of self-denying values that made possible our nation's productive achievements and material well-being—preeminently the willingness to defer some present consumption in order to realize greater future happiness—required hundreds of centuries to evolve in the West; such values are still largely absent from the "developing" world, and this, surely, has something to do with its poverty. In America, the most influential members of the present older generation erred by taking the "Victorianism" of their elders too much for granted. It was, in fact, the rarest and most fragile of all

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cultural forms, and the true source of our national might over the long haul. Yet intellectuals of the last generation dismissed its utility, railed against its spiritual oppressiveness, and then were soon enough astonished by its almost complete collapse during the 1960s—before many had even realized their own middle age.

In the minds of many Americans, the low growth, rampant inflation, and shortages of the 1970s eventually came to be a kind of symbolic punishment for the nation's excesses during the previous decade. During his first campaign and early years in office, Jimmy Carter played with sincerity and skill to this new spirit of repentance, through self-conscious displays of old-time religion, stern injunctions to thrift in the use of natural resources, and calls for economy in government. During the latter part of the seventies, the rise of the New Right and Ronald Reagan also seemed at first to be animated by the same vague national yearning for a return to traditional values.

But in retrospect, these new currents were more ambiguous than they at first seemed. During the election of 1980, for example, Carter found himself attacked simultaneously as a spendthrift liberal and as a true believer in an anti-American "era of limits." Reagan, while railing against the profligacy of liberalism, promised to reindustrialize and remilitarize the country with no attendent sacrifice of private consumption. Although Reagan never used the word, he excoriated Carter again and again for his counsel of thrift, such as his moralizing pleas that Americans reduce their energy consumption in the national interest. By cutting taxes instead, Reagan promised, he would stimulate new investment and higher consumption, close the budget deficit, and still have money left over for an arms buildup. The American Dream of the postwar era was not over, he seemed to be saying; one could still have one's cake and eat it too.

Today there can be no doubt that Reagan is the true legatee of the ethos of free spending, high consumption, and growth by deficit. His promise of easy affluence is so essentially liberal—as the term has come to be understood since the New Deal—that no matter how extreme and profligate his policies, no present-day liberal can persuasively oppose them—a Democrat of Mondale's age and experience least of all. Under Reagan, Americans have become as dependent on the savings of foreigners to maintain their standard of living as we ever were dependent on foreign sources of energy. Far from routing Keynes from the temple, Reagan has made him the foundation.

By this late date we must frankly admit that as a nation we cannot continue to subsidize so much present consumption by drawing upon the future. We must once again submit to a regime of thrift, or else find more and more of our options as a society constrained by debt service and slow growth. This means not only that Americans must save more, but that we must use the resulting pool of capital for productive purposes rather than for financing credit card purchases, real estate deals, corporate takeovers or the mounting cost of entitlement programs. One person's "savings" are of little net social benefit if they merely feed someone else's gold speculation or consumer debt. Members of the middle class, in particular, need to return to a stance of self-reliance—saving during their middle years to meet the real cost of their retirement, rather than depending so much on the next generation to subsidize their "golden years."

There are, I think, reasons for cautious optimism in this regard. The recent rehabilitation of the entrepreneur is a hopeful sign, while the baby boom's oft-noted demand for high-quality, "useful" products—a phenomenon that has become the bane of many mass marketeers—may betoken a certain generational rejection of the mass-consumption ethos.

Again, the values of stewardship and husbandry embodied in the environmental movement may be part of a quickening sense of responsibility to future generations that can be made to apply in matters of public and personal finance as well. Finally, the increasing fascination with high-technology works against the old paradigm of a fully matured economy of abundance requiring little capital investment.

In the end, the proper rate of savings is determined not by utility functions nor by statistical comparisons with the past, but by the real cost of our ambitions for the future. It is not necessary, nor even desirable, that we become a nation of stern Victorians. Samuelson was right to teach America's college students that too much thrift could, paradoxically, be a social vice in economic hard times. But we need to weigh our present appetites in the balance against our financial responsibility to future generations, as well as to our future selves; and we need tax and banking policies that reflect this necessity. While peculiar economic conditions may have allowed the last generation to succeed for a while without regard for thrift, younger Americans will not get away with repeating their example. ■

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Why Regulators Need A DON'T-DO-IT-IF-IT'S-STUPID *Clause*

by Eric Black

We're all familiar with the image of bureaucrats as mindless paper-pushers who put considerations of turf ahead of the public interest as they cavalierly regulate themselves off a cliff. We've all felt the frustration of going through contortions in order to comply with this or that apparently senseless regulation. Quite often, however, the problem has nothing to do either with oblivious bureaucrats or with the substance of the regulations they create. Rather, it lies in the bureaucracy's assumption that the drafting of a regulation is the last time that anyone with any common sense is going to grapple with the problem the regulation is supposed to solve. Too often, regulators find themselves engaged in a futile attempt to put the government on automatic pilot.

The story of a harmless pile of sludge that sparked a six-year battle between two Minnesota state agencies provides a useful lesson in the perils of this approach to government. Because of its pH level, the sludge was classified by the Minnesota Pollution Control Agency as a hazardous

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waste. At the same time, the sludge was almost universally recognized as neither hazardous nor a waste. As we will see, it had been found so harmless that it literally wouldn't bother the skin on a bunny's back.

But that didn't prevent the machinery of government from throwing itself in the path of the public interest. Thanks to the rigidity of the regulatory apparatus of state and federal government, the sludge continued to be classified a "hazardous waste," and the citizens who tried to dispose of it found themselves grappling with the bureaucracy for six years, at a cost of $2 million. The eventual cost to the public will probably be $4 million.

All this anguish could have been avoided had someone in the bureaucracy been able to anticipate the inevitable circumstance in which well-intentioned rules might prove irrelevant. The story of Minnesota's sludge troubles illustrates the need for regulators to accommodate life's unpredictability by providing an escape hatch to the regulations they write—a Don't Do It If It's Stupid clause.

Lemon lime

You can't legislate good intentions or common sense, of course. But is it necessary to rule them out? The sludge in question is a 75,000-ton pile of lime that sits on the bank of the Mississippi River in Minneapolis. The lime was a by-product of an acetylene gas manufacturing concern that operated by the river between 1913 and 1978. It caused little or no mischief at that site for 65 years, until the Minnesota Highway Department acquired it in 1979 because it was in the path of a new interstate highway.

Before the highway department bought the lime, it commissioned a test to see if it was corrosive. The test for this is to apply a poultice and see if it burns the shaved skin on a rabbit's back. The rabbit was unscathed. Nobody was terribly surprised. This was, after all, basically a damp version of the lime you might buy in a garden store. Lime is commonly used in agriculture (it lowers the acidity of soil), construction (it's a stabilizing agent), and, ironically enough, pollution control (it can benefit lakes that are suffering from acid rain and purify waste water). Officials of the Pollution Control Agency (PCA) and the Environmental Protection Agency have since confirmed that the sludge presents no serious threat to land, water, air, man, or beast.

Confident that they were dealing with a harmless substance, the state officials bought the land and awarded a contract to build the portion of the highway that cut through the lime pit. The $20 million contract included a $783,740 line item to excavate and remove the lime. The contractor, Charley McCrossan, planned to make a second profit by selling the lime for land-spreading or waste-water treatment.

This eminently sensible plan appeared to be good for all concerned, and the Pollution Control Agency approved it in advance. But between the time of that approval and the time McCrossan's crews started moving the lime, the PCA adopted new regulations defining hazardous waste.

The rules said that any substance with a pH higher than 12 is hazardous on the grounds of being corrosive. (In case you have forgotten your high school chemistry, pH is a measure of the acidity or alkalinity of a substance. The scale runs from one to 14. A low pH is extremely acidic and a high ph is extremely alkaline.) EPA set the limit at 12.5, and Minnesota subsequently adopted the same number.

The 12.5 rule is not idiotic in most cases. Substances with a pH that high—lye, for example—tend to corrode skin. But a high pH does not actually *cause* corrosivity. Rather, it simply tends to correlate with corrosivity. The lime sludge owned by the Minnesota taxpayers is one of the exceptions to the correlation. It has a pH of about 12.7, yet construction workers have stood hip-deep in the stuff with no ill effects. Both McCrossan and William Crawford, the highway department engineer in charge of the case, even tasted the sludge to demonstrate their belief that it was harmless. They said it tasted like an unsweetened antacid tablet.

Enter a private pollution control consultant named Mel Davis. Davis had done some tests on the lime and had participated in one of the unsuccessful bids to remove it. He knew it had a high pH and was familiar with the state's new rules. Around the time McCrossan's crews were starting to excavate the lime, Davis was testifying at neighborhood meetings that the lime was hazardous according to the state's rules. He suggested that the Pollution Control Agency was giving the highway department a break.

Highway officials say that Davis, motivated by a grudge against the department and his disappointment over not getting to remove the lime

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The story of a harmless pile of sludge that sparked a six-year battle between two Minnesota state agencies illustrates the need for regulators to accommodate life's unpredictability by providing an escape hatch to the regulations they write.

himself, created a public hysteria. Whatever his motives, however, Davis was correct about the regulation. The lime, harmless and useful though it was, was a hazardous waste under the rules. Davis succeeded in hoisting the PCA on the petard of its own regulation. As he put it, "Upon receiving the overwhelming evidence from me, the PCA was forced to change its position and declare the substance hazardous." That ruling scuttled the plans for the lime and changed all of the arithmetic. Minnesota had no licensed hazardous waste disposal site. Moreover, the highway department estimated that to load the lime into special hazardous waste trucks and transport it out of the state would cost more than $20 million.

McCrossan was trying to qualify for an early completion bonus in his contract. Since the PCA wouldn't allow him to remove the lime, he bulldozed it into a pile to make room for the road. The result: Instead of paying $783,740 to remove the lime, the department ended up paying him $599,534 just to rearrange it.

Let's get definitional

In 1981, while McCrossan was still building the road, he and the highway department hatched another sensible plan to solve the problem. The local electric utility, Northern States Power Company, had a big new coal-burning power plant a few miles west of the lime site. The plant used antipollution smokestack scrubbers; lime sludge can be used in scrubbers to clean the smoke. The power company decided it might be interested in taking the lime off the state's hands, but with several conditions. Foremost among these was that the sludge be declared environmentally safe. The company had had enough public relations problems over pollution issues. It didn't need the additional aggravation of a big pile of "hazardous waste" sitting on its property. In a letter to the state agencies, a power company official asked if the lime could be reclassified as simply a "solid waste."

Here was an opportunity for the Pollution Control Agency to use a theoretical "pollutant" to combat a real one at the cost of making a mere semantic change. In fact, the agency had joined with the highway department to urge the power company to consider taking the sludge. But search the regulations as they might, PCA officials were unable to find a loophole that would enable them to honor the power company's re-

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quest. Sorry, the agency said, the hazardous designation must travel with the lime. The deal fell through.

Later in 1981, a PCA official named Lisa Thorvig made a helpful suggestion: why not have the highway department conduct tests to prove what the regulations couldn't seem to recognize—that the lime was not corrosive—and then apply for a variance from the regulation? The highway department had already done the rabbit test once, but it quickly commissioned a repeat performance. Once again, the bunny failed to bristle. The department then applied for the variance.

The glitch this time proved to be that while variances can be granted from the requirements of individual regulations, variances cannot be granted from "definitional" rules. In other words, if the rules say it's hazardous, the variance procedure doesn't allow the agency to say it isn't.

When McCrossan finished the highway job in November 1982—two months later than the deadline for collecting the maximum $1.8 million early completion bonus—the lime was still sitting where he had stacked it. McCrossan sued the state for more than $4 million, claiming that he was entitled to the full bonus because it wasn't his fault that the lime controversy had come along. He also claimed that the lime would have been worth $1.76 million to him if he had been allowed to remove it according to his original contract. He wanted the value of the lime paid to him.

Sludge yes, 'waste' no.

The PCA didn't give up. If the rules couldn't be bypassed, perhaps they could be changed. Clearly, the agency had learned from the lime sludge case that using pH as an absolute indicator of hazardousness didn't make any sense. Why not change the rules so that a substance that had a high pH but could pass the rabbit test, could be ruled non-hazardous?

This time the obstacle was the EPA. States that want to regulate their own environments have to clear their rules with the feds, and federal law says that states have to have regulations that are at least as stringent as EPA's. EPA doesn't allow the rabbit test exception, so it told Minnesota that the state couldn't allow it either.

EPA does have a loophole in its rules that would have helped Minnesota out of its predicament. The loophole says that if a hazardous waste is going to be beneficially recycled, the waste can be excused from all hazardous waste regulations. But Minnesota PCA officials say they are not interested in that loophole, which they consider dangerously broad. "It's a bad rule and I'm glad we haven't adopted it," says Mike Kanner of the PCA's Solid and Hazardous Waste Division.

The state made two more attempts to move the sludge. McCrossan offered to move it to a mined-out gravel pit on his company's property in the nearby suburb of Maple Grove and store it there while he used some of it and sold off the rest. The Maple Grove City Council said that would be fine, but once again the problem of cosmetics arose: the city did not want the sludge if it meant the gravel pit had to be certified as a hazardous waste storage site. That was enough to defeat the plan.

In frustration, the highway department offered to cover the lime right where it was and let the Minneapolis Park Board use it as a sort of observation platform overlooking the river. The department had planned to give the acres left over after the lime was removed and the road was built to the board to compensate it for park land taken elsewhere for the road project. But the park board declined to accept the land with the lime still on it. "Our position is that we want our land, and we want it now and we want it without hazardous waste sitting on it," said a spokesman.

The never-ending story

By now you've probably figured out how our story ends: the lime is still sitting there. The highway department has recently commissioned $75,000 worth of consultants' studies and tests to figure out what to do about it. The state settled the McCrossan lawsuit last July by paying him the full $1.8 million early-completion bonus, even though the lime caused him to finish two months past the deadline, plus $990,000 to, in effect, buy back the lime for the agency that was (and still is) trying to get rid of it.

The latest idea is to dry the sludge out on the site with big gas driers. Once the lime sludge is no longer a liquid, it will no longer have a pH and can be declared non-hazardous. Then it can be moved and re-used. This will likely raise the total cost of getting rid of the lime to $4 million, which seems like an awful lot of money to spend to honor a regulation that has proven irrelevant to this particular situation. On the other hand, have you got any better ideas? ■

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You don't have to believe in supply-side economics to appreciate some of the movement's themes.

What the Democrats Can Learn From JACK KEMP

On an evening in late October, Rep. Jack Kemp arrives with his staff members at the volunteer firehall in Brant, New York, a small rural community east of Buffalo, where he is to speak at a Republican rally. The room is packed with the kind of small-town Republicans who believe in God, country, the highway program, and dairy price supports. At the far end of the community room, on a stage, a swing band in red sports jackets plays jaunty, upbeat favorites. At the other end, pitchers of beer are passed across a somewhat makeshift bar. Down the center are long tables with bowls of pretzels, potato chips, and peanuts, and "Joe Giambrone for Highway Superintendent" banners line the wall.

Kemp works the room without a hint of self-consciousness, patting backs, engaging in small talk, as though he really enjoys it. ("You've got to be as obnoxious as I am," he once advised New Jersey Senate candidate, Jeff Bell.) After the candidates for state assembly and judge make their pitches, Kemp takes the stage. He is tired; he's been making stops like this all day, and on top of this nonstop campaigning in his own district, he's been flying in and out of town to campaign for Republican candidates around the country. But Kemp has prodigious reserves of energy, and in his blue suit and with his meticulously sculpted hair, he still radiates star presence. In Kemp's first campaign, his handlers had worried that he looked "too kiddish, too pretty" and resorted to the darkroom to bring out slight wrinkles around the eyes on his campaign photographs and errant hairs on his billboards. But now, 14 years later, his stocky, six-foot body is ever so slightly soft, and his face shows just a hint of respectable jowl—though you still see the pug-nosed, freckle-faced kid who seems to have walked off a Wonder Bread advertisement. This impression is reinforced by his voice, which moves unexpectedly (and hoarsely) through the higher registers. The creases that were once the product of the darkroom are now there, in just the right places, showing the camera discernment, determination,

Jonathan Rowe is an editor of The Washington Monthly. *Jim Lynn and Jim Rosenthal provided research for this article.*

by Jonathan Rowe

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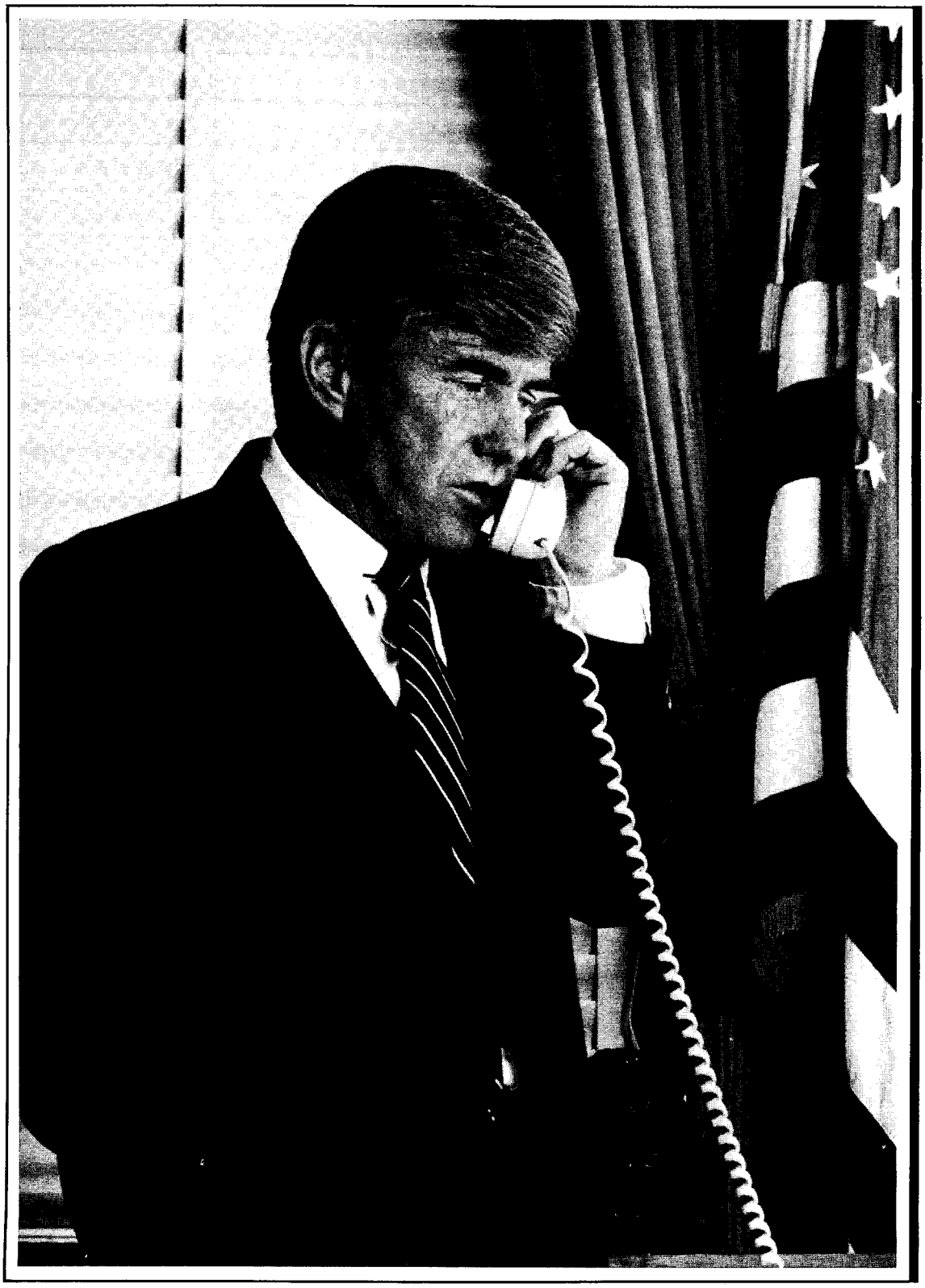

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maturity, concern. It is not a Lincolnesque face, like Gary Hart's or Mo Udall's, but essentially boyish and round, more like, well, John Kennedy's in his later years. If our faces took the form of our wishes, then Kemp's would leave little doubt as to what he wishes to become. His travel schedule, which took him to more than 30 states this fall, and his personal PAC, the Campaign for Prosperity, which distributed close to $130,000 to 71 Republican (and one Democrat) House and Senate candidates, point in a similar direction.

But this evening Kemp is on home ground, and he starts off by casting a wide net. "You serve your party best," he says, "by serving your country first." Kemp is almost obsessively aware that Republicans are still a minority party and seems determined to reverse that, reaching out in every speech beyond the precincts of the party as presently defined.

Then he is on to the "elite group of left liberal people who want to run our lives, run our families, spend our money." This is the first time this day that he has descended to demagoguery like this; usually he sticks to the high and inclusive ground of economic policy and growth. But this is a small-town gala and he is throwing them a little meat. "They don't trust people and markets," he continues, the last word strangely out of place, as though spliced in from an economics textbook. Kemp still hasn't figured out how to weave the somewhat obscure theories that underlie his economic message into his stump speeches.

From there he talks at length about how he hasn't forgotten where he's from, how good the people of western New York are. When he travels to other parts of the country to campaign for other Republicans, he says, he does it for the people of his district, so they can have the kind of Congress that they and the country need. Becoming a national figure—and losing touch with the district—has been the road to ruin for more than one House member. Kemp seems just a tad defensive on this point. "There has not been a federal grant program that has been proposed for western New York that has not had my support," he told a League of Women Voters candidate forum a couple of hours before.

Next it's economic issues, and here Kemp's basic message starts to come through. Regarding Social Security, the answer is a strong economy. The steel industry—a sore point in Buffalo—could return to prosperity if we had monetary reform. Kemp is genuinely engrossed by economics and tries doggedly to plough through the subject even in settings like this. When he is tired, as he is tonight, it comes out in cryptic semi-phrases—Phillips curve, revenue feedback, demand-side models, stable currency—as though he's talking in hyphens. At a luncheon speech before the International Longshoremen's Organization earlier in the day, eyes had wandered around the room as he took them through the gold standard and Bretton Woods. But you admire his doggedness, and his sincerity and conviction come through even when the meaning doesn't. Tonight, however, he seems to sense that this isn't what they came to hear, and so he talks about football.

In Washington, they try to understand Kemp through econometric models. But Kemp is talking about something the Democrats too often disparage—individual aspiration and hope.

Kemp, of course, quarterbacked the Buffalo Bills to their years of glory in 1964 and 1965, when they won the AFL championship. He is still a local hero, introduced at speeches as "Number Fifteen." In crowds like this it's hard to tell where Jack Kemp the former quarterback leaves off and Jack Kemp the present congressman begins. To this day, Kemp seems to be a sort of life link with the magic world of Sunday afternoons and Monday evenings, a confirmation almost of the worth of that world. When he began his ILO speech by telling them how he always tried to avoid speaking engagements on Monday evenings, the brotherhood was established.

"This is the first time I've ever told this story," he tells the good folks at the Brant firehouse, his voice lowering, taking them into his confidence. "But I just feel this very strongly tonight. When I started out in life I wanted to be a pro football player. It's really all I thought about." Kemp goes on to talk about how he started at Occidental College at five feet, 10 inches, 165 pounds. "One day the coach called me into his office and told

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me, 'Of all the people on this team, I think you are the only one who can make the pros. I really think you have it, have something inside you, and I want you to work—work just like you were a pro football player.'"

"When I left that office, you know, I would have run through a brick wall for that coach."

Kemp went on to recount the early years he spent kicking around the pros, his final breakthrough, and then he brought the story up to a class reunion he attended last year. "The whole team was there," he recalled. "And you know, it came out that the coach had told every player on the team the same thing—that if they worked hard enough and sacrificed enough, they could make the pros. I was furious, for about a minute. Then I realized that that coach had made every one of us a little bit better, struggle a little bit harder, to reach our potential."

"What is life for if not to inspire us to something better?" Kemp asks, suddenly catching the audience in the coil of energy you feel at a motivational seminar or a good gospel sermon. "There is *no limit* to what the American people can do—to the prosperity we can create, to what we can achieve—if we put *no limits* upon them."

In Washington they try to understand Kemp through econometric models. But Kemp is talking about something else, something at which too many Democrats have come to look down their noses—individual aspiration and hope. "When the president says, 'You ain't seen nothin' yet,' he believes it," he continues, "and folks, I believe it too." It's a warm bath in the America of the president's television ads—"morning again in America"—*Reader's Digest*, Amway, and Reverend Ike.

Taft Democrats

Jack Kemp and I came to Washington the same year, he as a Republican congressman, myself as a tax reformer very much on the other side of the street. When I first started to see his speeches in the *Congressional Record*, it seemed like the usual right-wing stuff: feed the rich through tax cuts under the guise of "stimulating the economy," get the government out of the way, and all the flowers will bloom. Kemp did give it more flair than his Republican cohorts—the energy level was higher—but there didn't appear

Rick Bloom/*National Journal*

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to be much to worry about. The Democrats controlled things and—one assumed—always would.

But then the walls began to crumble. Jimmy Carter didn't hack it; Ronald Reagan, in his presidential campaign, was talking like Kemp, and all of a sudden the so-called Kemp-Roth tax cut bill, which just a few years before had seemed a right-wing backwater idea, just a few steps leftward from the Liberty Lobby, was becoming the law of the land.

But what I remember most vividly from that tumultuous year of 1981 was the way my own party, the Democrats, responded. Or rather, how they had no apparent response. I recall Lane Kirkland, the AFL-CIO president, declaiming in his sonorous monotone that Kemp-Roth—and Reagan economics generally—were a "radical and untried experiment" or words to that effect. Wasn't that what the curmudgeons said about the New Deal? I remember how the Democrats in Congress took to invoking in their cause Henry Kaufman, the sourpuss of the Wall Street bond markets, the man the Republicans used to invoke to throw cold water on the Democrats' own "radical and untried" schemes. I remember the tax bill that Ways and Means Chairman Dan

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Rostenkowski wrote to counter the president's bill; it was a disgusting special-interest buffet, and Democrats were talking at the time about how they were going to "win" by getting gas producers and kindred groups on their side. I remember thinking, "My God, wouldn't a pure Kemp-Roth bill have been better than this?"

And I remember most vividly, the Democratic campaign just ended, Walter Mondale taking up the Robert Taft banner of balanced budgets and accountancy, while Reagan was playing to the public's desire for a new morning; and in Congress it was Jack Kemp, not the Democrats, who was advocating the view that balanced budgets came second, that what counted was the theme that Jack Kennedy had espoused 24 years earlier—namely, to get the country moving again. And I heard Mondale making his traditional pitches to interest group leaderships, while the Republicans were speaking in metaphors that embraced us as Americans.

Then, just a couple of nights ago, after I had interviewed Kemp for this article, I dropped in on a friend who works for a Democratic congressman. As we walked through the corridors of the Cannon House office building—I realized I was pacing hard, as though trying to work something out of my system—I heard my friend saying something that had flickered across my own mind. This is a man of thoroughly populist instincts who is no friend of concentrated capital and power, yet here he was saying, "I'm starting to wonder why I'm a Democrat."

I am not ready to become a Republican. I still see, through the rhetorical quaaludes of good feelings and growth, the smug patter at the country club, the mink coats, and cars about twice as long as they need to be. I still sense an animating bottom-line impulse of what's-in-it-for-me. But I have to admit that Republicans like Kemp are onto something, at the symbolic level at least and sometimes, I think, at the level of policy. If the Democrats don't grasp this, they are going to become, I fear, what Robert Taft led his own party to become—a permanent minority. To understand what the Republicans are onto, and where it falls short, we could do worse than to look at Jack Kemp.

In case you haven't heard, Kemp has built his political career around a single notion: that by cutting taxes and returning to "sound money," we can unleash the forces of enterprise and production and inspire a resurgence of prosperity in which all will partake. But this is not all Kemp is saying. Where he began as a balance-the-budget conservative who went forth with the desire to foil the spenders (except where Buffalo was concerned), he now castigates his party and the Democrats for "worshipping at the shrine of the balanced budget." While he is not on the front lines of increased social spending, he does not crusade against it: "People don't elect Republicans to repeal the New Deal," he says, putting the whole issue of budget cuts virtually over the horizon of his concerns. Where he once supported a value-added tax (a national sales tax) when Nixon was flirting with it, he now says tersely of Charls Walker, the big-banana corporate lobbyist who supports the idea, "He doesn't think the poor people of this country are paying enough taxes." And probably more than anyone in his party, he is using this message to reach out to blacks, minorities, and blue-collar workers to bring them into the Republican fold. "We Republicans are going to bring our message of hope, opportunity, and economic growth to the northeast and New York state," he told a delegation of New York Democrats, "to cities, to blacks and Hispanics, into labor union hiring halls, to Massachusetts, and even to Georgia. Our plans for a brighter tomorrow exclude no one."

Doggedly advancing these themes, Kemp has achieved a national stature that most senators and even Cabinet members might envy. During the last two weeks of November alone, he appeared on "Face the Nation," "The McLaughlin Report," "This Week with David Brinkley," "Firing Line," "Crossfire," "Donahue," "America's Black Interests" (hosted by Julian Bond), and "Adam Smith's Money World." His op-ed pieces appear in major newspapers with regularity.

Partly through Kemp's efforts, the themes have been catching on, at least from a marketing standpoint. A Harris poll for *Business Week* a number of months ago found that by a 51 percent to 39 percent margin, people thought the Republicans would do a better job of stimulating the economy than the Democrats would. "The Democrats have squandered their best issue—economic growth," Harris concluded. "That's the single biggest crisis they face." What's worse, the Democrats have been losing their grip on the symbols with which opportunity and hope are identified. A poll conducted immediately after the election by Vic Fingerhut, a Washington political consultant, found that 73 percent of Democrats and independents who leaned Democratic but voted for Reagan believed that Reagan, not Mondale, was the candidate who was

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"more in the Democratic tradition of Roosevelt, Truman, and Kennedy in fighting for working people."

'Quite a piece of horseflesh'

Kemp got his political start in San Diego, where he played for the Chargers before going to Buffalo in 1962 in an unusual waiver foul-up. The editor of the *San Diego Union*, the conservative Copley paper, was Herb Klein, who later became press secretary to Richard Nixon. Klein saw something in Kemp and brought him on to do public relations for the paper. Kemp wrote a weekly column aimed at youth on such subjects as the evils of communism and the beneficence of the profit motive. "In America the quest for profit is inseparably linked to political freedom," Kemp wrote in one column. "The opportunity to strive for economic gain is as much a part of our heritage as our vote and the Bill of Rights." A reporter with the *Los Angeles Times* recalls a meeting between Barry Goldwater and a group of writers and editors at the *Union* offices during Goldwater's 1964 presidential campaign. When the questions became too unfriendly, the reporter recalls, the *Union* general manager gave the ball to Kemp to ask the "proper" ones.

Kemp was also getting involved in politics during these years, working in Nixon's campaign for governor in 1962 and supporting Goldwater for president two years later. In 1967 he worked in the off-season in the administration of California's new governor, Reagan, and a year later, when he was sidelined for the entire season with an injury, he came to Washington to work with the Republican National Committee. That year Kemp also worked with a group called "Athletes for Nixon." He was politically active within pro football as well. He was one of the founders of the AFL players association in 1965 and served as its president from that year until 1970.

The Republican elders in Washington began grooming Kemp. When the Buffalo seat finally opened up, the county Republican chairman called Kemp "the Holy Grail," and the national party regarded his campaign the same way. "He was treated as a 'number one draft choice—a bonus baby,' "writer Pat Ryan recalled in *Sports Illustrated* after the campaign. Consultants and technicians were provided. Herb Klein himself made trips to Buffalo, though the press was not always notified, since identification with Nixon was not entirely a plus in those Vietnam years.

Kemp had everything going for him. Through his football notoriety he had 76 percent name recognition in the district to his opponent's 23 percent. The district, though often touted as "blue collar" and Democratic, in fact consisted of the Buffalo suburbs and had a majority Republican registration. (Kemp's district has since become even more rural and Republican). Until the Johnson landslide of 1964, it had sent to Congress a Republican by the name of John R. Pillion, who is most remembered for opposing statehood for Alaska and Hawaii on the grounds, among other things, that these states would probably send communists to Congress. Moreover, the Democrats were divided; the district's then-current Democratic congressman, Max McCarthy, returned to run an independent campaign after failing to get the nomination for the Senate. Despite these advantages, Kemp almost blew it through his performance in TV debates. On election day, he squeaked by with 96,989 votes to his opponents 90,949.

When Kemp came to Washington, he had unquestionable star quality, at least to the Republicans ("quite a piece of horseflesh," Robert L. Bartley of *The Wall Street Journal* editorial page called him). Towards the end of his first term in Washington, another *Journal* columnist, Alan Otten, called him one of the "clear comers" in the Congress. Kemp did not shy away from such publicity. The *Buffalo Evening News* reported that in his first eight months in office, Kemp issued almost as many press releases as his four western New York House colleagues combined. ("And there's a lot of stuff he's doing that we just don't get to you because we just don't have the capability," a Kemp aide explained.) He was a special favorite of Richard Nixon's: the two had campaigned together for Robert Finch for lieutenant governor in 1966, and Nixon had played an active role in convincing Kemp to run.

For all this, however, Kemp's prominence was confined largely to the Republican party. The House of Representatives is not a place where reputations are made overnight—or, in most cases, made at all. It is hard enough being one of 435 and even worse if you are in the minority, with no committee chairmanships or staff, and no speaker of your own party to help your reelection prospects by pushing a pet bill. Kemp's early years as a congressman did little to distinguish him from the pack. He supported the war in Vietnam (a local peace group gave him the "Bomb of the Year" award), introduced a constitutional amendment to ban busing, and proposed a lid on government spending. His first floor fight was to cut the budget for the National Endowment

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When inflation increased the taxes of middle class people in the seventies, the Democrats did little to help. Kemp and the Republicans seized the opportunity.

for the Arts. "The worst thing that I can do as a representative of my district," he said, "is to allow this country's fiscal situation to deteriorate any further." Kemp wanted to cut taxes, but like most conservatives of the time, he saw spending cuts as the key. "I believe," he said, "the Congress must assign the highest priority to provide relief from the overwhelming burden of taxation by tightening the rein of federal spending [and] by reversing the enormous growth in the size and cost of government."

Yet like most congressmen, Kemp was inclined to look more kindly upon such expenditures where his own district was concerned. His first speech on the House floor—March 10, 1971—protested the dropping of Buffalo-to-Chicago service by what was then called "Railpax." (The unfortunate impact upon the nation's overcrowded airports was among his stated concerns.) In his first reelection campaign he proudly took credit for $100 million in water treatment funds for the Great Lakes, $25.3 million for secondary water treatment, and $171 million for a local rapid transit system.

Ninety percent of Kemp's colleagues might have slept soundly upon such achievements, but Kemp was the man *The Wall Street Journal*'s Otten had described as having "boundless ambition and a ruthless readiness to put his own needs first; a shrewd instinct for spotting good political openings, and real hustle to follow through and take advantage of them." Not the sort of man to make a career out of sewer grants. During his second term, Watergate hit, and with it the near decimation of his party. Here was a man who was intensely competitive, had spent his entire adult life in pro sports and politics, and who, moreover, was accustomed to calling the plays. Yet he was stuck on defense in a permanent goal line stand against an overwhelming number of liberals.

Bacon to Buffalo

Kemp sensed a fundamental contradiction in what he was trying to do, a contradiction that his divergent views on spending in general versus spending in his own district merely betokened. Republicans like himself had traditionally come to Washington to prevent government from doing things. They were trying to get the voters excited about a negative—about *less*. The Democrats, by contrast, were promising *more*—more money for education, more protection for consumers and the environment, more job training, more growth—they were even telling the voters that government could borrow the money to do all this. The Democrats were running a discount house while the Republicans were running a store with practically nothing on the shelves. "They had a thesis, the liberal left of the Democratic party had a thesis, which was to spend, finance it with deficits or whatever," Kemp said in a recent interview with *People and Taxes*. "And we had an antithesis which was not to spend. But the synthesis was inexorably shifting toward spending less than they wanted, more than we wanted, and I said, 'Hey, wait a minute, we need a thesis.'"

This bind was especially uncomfortable for a representative from a rustbelt city like Buffalo. Buffalo practically wouldn't exist without government spending, going back to the Erie Canal and on up to the procurement for World War II, which turned the city into what one writer called the "Seattle of the northeast." More recently, with the auto and steel plants closing, Buffalo desperately needed federal assistance, and there was no way a politician of any stripe could avoid this. Kemp has, as mentioned, gone after it with relish. His views on economic policy may impress them on "Meet the Press," but the bacon seems to matter more in Buffalo. Last fall Kemp ran TV ads proudly displaying the city's new half-billion dollar, six-and-a-half-mile rapid rail system with the tagline, "That's what leadership can do."

Kemp was not a hypocrite. "Very early in my political career I realized that the conventional conservative model, political and economic, was not an answer to people who were out of work." The answer, Kemp saw, was growth. But how can you promote growth when you basically don't believe that government should do anything?

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Keynesian conservatism

Well, one thing you can do is cut taxes. Kemp introduced an Accelerated Capital Formation Act that consisted primarily of business tax breaks of the kind Republicans traditionally supported. Like about 99 percent of all congressional bills, it went nowhere. "I came back and realized I hadn't done a very good job of selling my bill, so I changed the name and called it the Jobs Creation Act," Kemp has said. It sounded a bit more like a thesis and attracted more than a hundred cosponsors. This was in the midst of the recession of 1975. Someone had asked then Treasury Secretary William Simon why President Ford wouldn't support a jobs creation act and Simon had replied that it cost too much money. "All of a sudden a light went off in me," Kemp said later. "Gee, if we took a temporary deficit by changing the tax laws to encourage investment and savings and work opportunities, it seemed to me there ought to be some revenue."

Kemp was becoming interested in the work of a Columbia economist by the name of Robert Mundell, who was arguing that Canada actually gained revenue in the early seventies by cutting taxes. Irving Kristol, one of Kemp's mentors, advised him to look into the Kennedy administration, which had pumped up the economy—gotten the country "moving again"—in the early sixties by doing precisely this. Kemp says he asked his staff to draft a tax cut bill as close as possible to the individual rate cuts Kennedy had proposed in 1963 (but which were not passed until after his death). Around this time, he said, he was starting to think that "the key to the economy is not the business entity, it is the individual worker and the individual entrepreneur." He dropped much of the business tax cut from his old bill and introduced an individual cut of 10 percent a year for three straight years. (Walter Heller, who was Kennedy's economic advisor at the time, insists that Kennedy's cut was more generous at the lower income levels. "They keep trying to put the Kennedy mantle on the thing and it doesn't fit," Heller says.)

Now what's the big deal about a tax cut? Haven't politicians been promising them for ages? Yes, but this was a Republican advocating, in effect, deficit financing. If this sounds suspiciously like the New Deal and Keynes, it's because you haven't grasped the whole theory. From the New Deal onward, Democrats had thought of the economy as driven by "demand." The way to "get the economy moving" was to put money into people's hands; in their role as "consumers" they would rush out to the stores, and the resulting purchases would induce investors to build the new factories and buy the new machines. This is called "demand-side" economics. Translated into politics, it meant that those at the lower- and middle-income levels should get the most in tax cuts, since they are the most inclined to spend. Demand-side economics was traditional Democratic economics.

Economists such as Arthur Laffer and Paul Craig Roberts and Jude Wanniski (then of *The Wall Street Journal* editorial staff) had been framing an entirely different view of this problem, looking at people as potential producers rather than as potential consumers. The key fact here was the "marginal" tax rate—the tax you pay on the last dollar you make. Because the income tax is "graduated," you move on through higher tax rates as you make more money. Influenced heavily by supply-siders, Kemp was now arguing that inflation had pushed people into such high tax brackets that they had no more incentive to work or save or produce. Cut taxes, Kemp and these others were saying, and we would unleash a torrent of work effort and investment that would get the country moving again—not because people would have more money to spend, but because they'd have *more reason to produce*.

The rehabilitated rich

It was the next step in the reasoning that turned this economic sunshine into pure surf city. Laffer argued with his famous "Laffer Curve" that such tax cuts could generate so much economic activity that the resulting revenues could make up for those originally lost. The tax cut would pay for itself! The rich would actually pay more taxes than they did before. And furthermore, since there would be extra supply calling forth demand, rather than vice versa, stimulating the economy in this supply-side way would not provoke inflation. The Federal Reserve Board could safely allow more dollars into the economy to finance this supply-side growth. In fact, the supply-siders assumed that the Fed must be willing to do so, which is why they are the most tenacious Volcker-baiters in town.

Are you starting to see the implications? An antithesis—cutting taxes—becomes a thesis—promoting growth. The people get their tax cuts and their spending programs too. Republicans would inherit the mantle of John F. Kennedy (guess what Kemp's middle initial is) and still be

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Supply-siders like Kemp provide a healthy corrective, but they lack one essential: a commitment to community and service.

free-market conservatives. And now, at last, Republicans would have something besides condolences for minorities and the poor. If a little antithesis could produce a thesis, then wouldn't a bigger antithesis produce even more of one? Kemp adopted the idea of "enterprise zones" for the inner cities, in which even larger tax cuts would be bestowed upon specific depressed areas to attract new businesses there. The Democrats want to give you more welfare; we want to give you less *need* for welfare.

Pretty heady stuff. "Republicans were ripe for this because they were out of power for so long," said Wanniski, who tried first to urge this approach upon the Democrats. Perhaps best of all, here was a tax cut rationale that enabled the rich to stand tall. Under the old Keynesian notion they had no special claim to relief (even less, in fact, since they might save the buck where the poor person would spend it). But under the supply-side notion their claim came first, since they have the greatest proclivity of anyone to invest and hence create supply.

Phantom tollbooths

There is something about taxes that touches a messianic—or at least obsessive—nerve in the American psyche, and people who study these matters overmuch tend to lapse into a two-factor universe in which there are taxes on the one hand, human behavior on the other, and very little else in-between. If you have ever met a follower of Henry George, the 19th-century proponent of the "single tax" on land, then you have some idea what it is like to talk to Kemp on the subject of taxes or anything remotely connected.

Many Democrats would like to believe that Kemp is dumb, but he is anything but. His mental energy seems apiece with his physical, and he has both a genuine passion for ideas and a striking grasp of the intricacies of the tax and monetary theories on which his mind dwells. In private conversation he is more flexible than he is in his speeches and writing; he tends to qualify his views ("I don't mean to sound Pavlovian") and show more self-awareness than I had expected. "I don't know who's more tired of my speech," he said, "my audience or me." He enjoys repartee and is quick with a quip, and our conversation turned into a friendly debate. I enjoyed it.

Still, the House Democrat who says of Kemp, a bit dismissively, that "he has learned how the economic model works and he processes everything through the model" isn't all wrong. Kemp came to reading and ideas relatively late, after he left college, and he's just a little like your sophomore roommate who started reading Freud and thought he had found the key to everything. In his book, *The American Renaissance*, and in his speeches and other writings, Kemp tends to ascribe afflictions far and wide, from industrial decline, inflation, and third world poverty to the erosion of families and communities and even the decline of Broadway, to high marginal tax rates. A sample: "The problem with the auto industry is not that Americans are buying too many Japanese cars. The problem is that Americans cannot buy enough cars of any kind....The answer is to cut tax rates so people can afford to produce, save money, and buy more of everything." Well, sure. But aren't a few other things involved?

No one ever lost votes by asserting that America's problems were due to government's taking too much of our money, and in the late seventies events were making this message even more compelling. The scary inflation was pushing wage earners up into tax brackets that had been designed originally for the rich. This "bracket creep" was especially severe in the middle-income range, where the tax brackets are bunched together like the toll booths on the Connecticut Turnpike. But the Democrats had done very little to assuage this pain. In the beginning of the 1970s, a poll taken by the Advisory Commission on Intergovernmental Relations found the public thought the federal income tax the most fair tax. By the end of the decade people thought it the most *unfair* tax. In California, Howard Jarvis had tapped a well of kindred anger at the way inflation had driven up home prices and hence property tax bills, and now the ground was fertile at the federal level as well.

"We forced the Democrats to become an antithesis party, a party of naysayers," Kemp said, speaking of the way the Democrats lined up against the Kemp-Roth—and later Reagan—cuts.

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During the last campaign, the Republicans swatted Democratic criticisms like so many flies. "Walter Mondale wants to balance the budget by unbalancing yours" was one of Kemp's favorite lines.

Waiting for the tide

Supply-side economics has been good for the economics industry if none other, and you've heard the evidence from the opposition camp: investment still below the levels of the Carter years; personal savings that were supposed to soar under the 1981 tax act, down; real interest rates—and the difference between interest rates and inflation—several times the level at the end of the seventies. Indeed, to the extent Kemp-Roth helped stir a "recovery," it did so mainly through the much-maligned demand side: people had a little more money in their pockets, and they went out and spent it.

But such argumentation isn't exactly inciting the populace into frenzy, as you may have noticed last fall. It helped the Republicans, of course, to have the economic winds blowing at their backs, regardless of the reason. But the supply-side rationale is an attitudinal template as much as it is economics, and to treat it as though it were just the latter is a little like treating a candidate's television advertisements as though they were merely imparting information to a rational voter.

Part of the appeal, as mentioned, is the hearkening to aspiration and hope. The Democrats have become a party of programs, have turned one function of government—social work—into the reason for the whole show. They seem to think that people want most of all to wake up in the morning grateful that Congress has made provision for life's misfortunes, while Kemp and the others have been tapping, on the metaphorical level, the much deeper desire to wake up with a sense of opportunity to improve one's lot. The other politician on the national scene who seems to connect with people in this way is Jesse Jackson, whom Kemp in fact quoted in a speech to the Urban League: "Democracy guarantees opportunity, not success."

Optimism is another side of Kemp. A year after Carter's malaise speech Kemp declared at the Republican convention, "Austerity is not the answer; austerity is the problem. The American people are not the problem. They are the answer." *The American Renaissance* is an assault on the idea of limits; if it had a sound track, it would be the Beach Boys. Kemp is untroubled by questions such as what abundance is for, and whether, even if energy scarcity is a myth, as he asserts, we are necessarily a better country for consuming more of it ourselves.

But perhaps the most powerful aspect of Kemp's appeal is his inclusiveness. Where the Democrats dispense opportunity and justice in little morsels—a program here, a benefit there—Kemp has embraced the encompassing metaphor of the tide that lifts all boats. "While Kemp is talking about growth," said political analyst Alan Baron, "the Democrats are talking about comparable worth—how to pay sales clerks more and sheet metal workers less." Kemp is serious about trying to bring blue-collar workers and blacks into the party, and he has broken from his conservative colleagues by supporting voting rights for the District of Columbia and making Martin Luther King's birthday a national holiday, both emotionally charged issues. While he generally supports the New Right's social agenda, he greatly prefers the high ground of growth to these divisive social issues.

But is the high ground real? And real or not, is it high enough?

Kemp is known on Capitol Hill as essentially a publicist who is not a major player in the daily grind of legislation. On the Appropriations Committee, he does play a significant role in foreign policy, pushing foreign aid bills and opposing the International Monetary Fund's efforts to impose austerity on the third world. But on the issues he cares most about, taxes and monetary policy, Kemp plays mainly from the outside, sitting on neither Ways and Means, which writes the tax laws, nor on Banking, which oversees the Federal Reserve. So situated, he can expostulate all he wants on these subjects without having to make messy choices between, say, realtors yelping in one ear and insurance companies yelping in the other.

Congress needs good issue-raisers, and Kemp is one of the best. But Kemp's outsider role does seem to connect to a larger inclination to use the supply-side growth gospel as a deus ex machina to avoid hard decisions.

In 1982, for example, Kemp opposed the Republican tax bill that raised important revenue, even though the bill focused on corporate loopholes and did little to diminish the supply-side "incentives" in the 1981 bill. "He gets into a leadership position [Kemp is chairman of the House Republican Conference] and then refuses to take responsibility," said a staff member of the Senate Republican leadership, which took the heat on the bill. This year, he continues to

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ARE WE DOING SOMETHING WRONG?

It could only happen in an election year . . . Just when we thought we were doing everything right —

emphasizing the right issues — attacking the right people — exposing the right foul-ups and cover-ups . . . we get a compliment like this.

Sure, we have a lot of respect for Mr. Will and his journalistic ability. We've even published his thoughts on various issues. (We think it's fair to our readers to see both sides of the fence.)

But this is too much! What is he trying to do? Is he trying to ruin us with our faithful readers . . . or is this a sinister reverse psychology plot to undermine our own confidence?

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contend that we can grow our way out of the deficit, and he avoids discussion of budget cuts. These are the postures of a minority gadfly, not of a congressman who is ready to carry the load.

Kemp is not the sort of politician who tells every interest group what it wants to hear. He opposes protection for the auto and steel industries, even though his free-trade position does not increase his popularity in his district (it helps to have a safe one—he hasn't won less than 70 percent of the vote since his first election). Similarly, he tells business audiences that we shouldn't have corporate subsidies like the Export-Import Bank and the Synfuels Corporation. But running through the core of supply-side thinking is a tendency to pretend that the need for choices does not exist. "The greatest obstacle to opportunity and advancement," Kemp writes in *The American Renaissance*, "is the idea that life is a 'zero sum' game." He elaborated in an interview with *People and Taxes*: "I rejected intuitively the Lester Thurow conceptual framework that this was a battle between savings and consumption, between the suburbs and the city. . . ." It is *good* to strive for a prosperity in which all can share. But some desires must take second place to the common good; it is not possible for everybody to have it all.

The standard liberal critique against Kemp-Roth is that it favored the rich, which it did. After factoring in the Social Security tax increase, you didn't come out ahead under Kemp-Roth unless you made more than $30,000 a year. This might have been tolerable, however, if it truly had been the price for the rising tide that would lift all boats. But that tide never came. The bill did not make choices—it didn't close the loopholes and tax shelters that drain investment away from productive channels. Corporations took their depreciation benefits and engaged in takeover wars or buy-a-tax-break maneuvers. Individual savers simply transferred savings out of passbook accounts into Individual Retirement Accounts. And so on. Kemp assured us that the new lower rates would lure money out of tax shelters. But the tax shelters boomed from $5.5 billion in 1982 to $8.4 billion in 1983. We might just as well have given the money to low- and middle-income people, as Democrats traditionally do. At least the money would have flowed into the productive economy, albeit on the demand side.

Again to Kemp's credit, he has introduced the Kemp-Kasten bill, which would simplify the tax code, and he acknowledges that perhaps such streamlining should have been a part of Kemp-Roth. But even this new bill makes no distinction between, say, stock issues of new enterprises (why tax the gain at all?) and speculation in antiques (why provide any special treatment?).

But there is a more fundamental shortcoming in the supply-side outlook. In the imagination of Kemp and the supply-siders generally, we are all relentless little integers of self-seeking who go forth with pocket calculators and spread sheets reckoning the after-tax consequences of every life decision and acting accordingly. Sometimes, despite his protests, Kemp really does sound Pavlovian: "This is a massive behavioral modification program designed to alter the performance of the economy by changing the behavior of people by altering the rewards."

There is an infectious simplicity to this view, reducing as it does all economic problems to a matter of carrots and sticks. Of course after-tax return counts for something. But lay the blame for the problems of our auto industry on this doorstep? Michael Maccoby, a psychiatrist who has written two books on corporate leadership, pointed out in *People and Taxes* that the chief executive of Volvo, Pehr Gyllenhammer, "makes maybe a fifth of what the G.M. chief executive makes, yet he's working night and day, and he's much more creative." Taxes in Sweden are higher than in the United States. Maccoby also pointed to Edwin Land, who created the Poloraid Corporation and who did not retire a poor man. "He was motivated by the idea of making something work, not by making money." This is not a question of the profit motive not being nice, but of the actual richness and diversity of the aspirations by which we live. Is Kemp really telling us that he held back on the football field because marginal tax rates were higher when he played than in Sid Luckman's day or that he sloughed off as a congressman before the Kemp-Roth tax cuts restored his incentive to do his job the way his constituents expected?

What is true individually is also true collectively. One of the interesting things about the seventies is the number of firms that excelled despite the supposedly debilitating effect of high taxes. "Look at the washing machine industry," says Thomas J. Peters, author of *In Search of Excellence*. "General Electric had 10,000 people out on the street in Louisville during this past recession. At the same time, Maytag reported record profits and record sales both years. The key is they've got a washing machine that just doesn't break down." Both Maytag and G.E., of course, were operating under the same tax code.

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"Management is the issue in this country," Peters says, "not [tax] policy." This is not to say, of course, that taxes should be high. It is to say that we cannot solve our economic problems simply by making taxes lower.

What's missing in the supply-side mindset is a curiosity about institutions and the way they actually work. Kemp and the others seem to dwell in a universe of economic abstraction in which supply begets demand (or vice versa) and tax incentives beget work effort, without reference to the institutions and life circumstances in which these activities occur. When Kemp was first getting interested in politics he was absorbed in theory—interested "in the philosophic side," as his mentor, Herb Klein put it. "I had him retain that, but I also wanted him to have a feel for pragmatic politics." Kemp could use a little more feel for pragmatic economics as well. "Why don't they go out and find out what the world's really like before trying to meddle with our whole system?" Maccoby said of the supply-siders generally. The point is not that incentives don't count. It's that other things count too.

But the shortcoming of supply-side thinking is not just economic. Or rather, people like Kemp allow their thinking to become too exclusively economic in the narrow economist's sense of the word. To a degree, the supply-side vision is a healthy corrective, but alone it is not an adequate metaphor for our national life. There is not, for example, the idea of community and service.

Kemp cranks the idea of national service, for example, through his supply-side model and comes out with the need for more *incentives* in the form of higher pay for a volunteer peacetime army. "I didn't want my sons and daughters getting drafted in peacetime when they reached age 18," Kemp told me. But is there no difference between national service and signing on as an IBM management trainee?

The problem here is a reluctance to *expect* anything of anyone. I asked Kemp whether he thought workers and managers needed to moderate their wage demands—whether political leaders needed to encourage this—for the good of the economy. The congressman launched into a discussion of how steelworkers in New York state pay over 40 percent tax. Fair enough; taxes do count for something at the bargaining table. But President Kennedy felt impelled to ask the steelworkers for moderation when taxes were lower than Kemp-Roth makes them today. There isn't always a painless mechanical solution. Sometimes people just have to reach down and give something up. What are leaders for?

Half-way populists

Kemp and his cohorts in the House call themselves "New Populists," and this is one of the plus sides to their message. They speak from the standpoint of individuals rather than institutions, entrepreneurs rather than corporations; they want power to reside in the grass roots rather than at the center. More than anyone in Congress, Kemp has challenged the tight money policies of the Federal Reserve Board, and tight money was an overriding Populist concern.

But there is a crucial element of Populism that the New Populists tend to overlook. Partly it's the concern for justice. The Populists of history were incensed, for example, that their tax dollars were used to subsidize tax-exempt railroads (the ones that were gouging them) and would not have looked with favor at the 1981 tax bill, which granted a good many of the largest corporations in this country a similar privileged status. But more, the Populism of history was a social movement as well as an economic movement; not social in the Mondalean sense, in which "we are a generous people" seems to mean, primarily, that we are happy to pay taxes so civil servants can do good works for us. Rather, social in life practice. "In things essential, unity; and in all things, charity" was the motto of a Farmers' Alliance lodge in Texas; and the Populist movement itself was rich in projects to organize lending libraries, chautauquas, relief for the elderly and indigent, and the like. Even in the economic realm, these were not isolated integers of self-advancement assaulting the world like so many Horatio Algers. They organized cooperatives to purchase seeds and supplies and to market their grain so they could stand strong together. "We are emerging from a period of intense individualism, supreme selfishness, and ungodly greed to a period of cooperative effort," said a Kansas Allianceman in a statement that would give one reason for cheer if it appeared in a newspaper today.

Kemp makes an occasional reference to community in his book and speeches. But it is somehow not quite in the focal center of his vision. He makes an important contribution when he speaks for enterprise, initiative, aspiration, and hope. These are all things to which the Democrats must speak. But individual striving is only half the equation. There is also a concern for the team. "That word 'selflessness' as opposed to 'selfishness,' as Vince Lombardi once put it, 'is what I try to teach.'" ■

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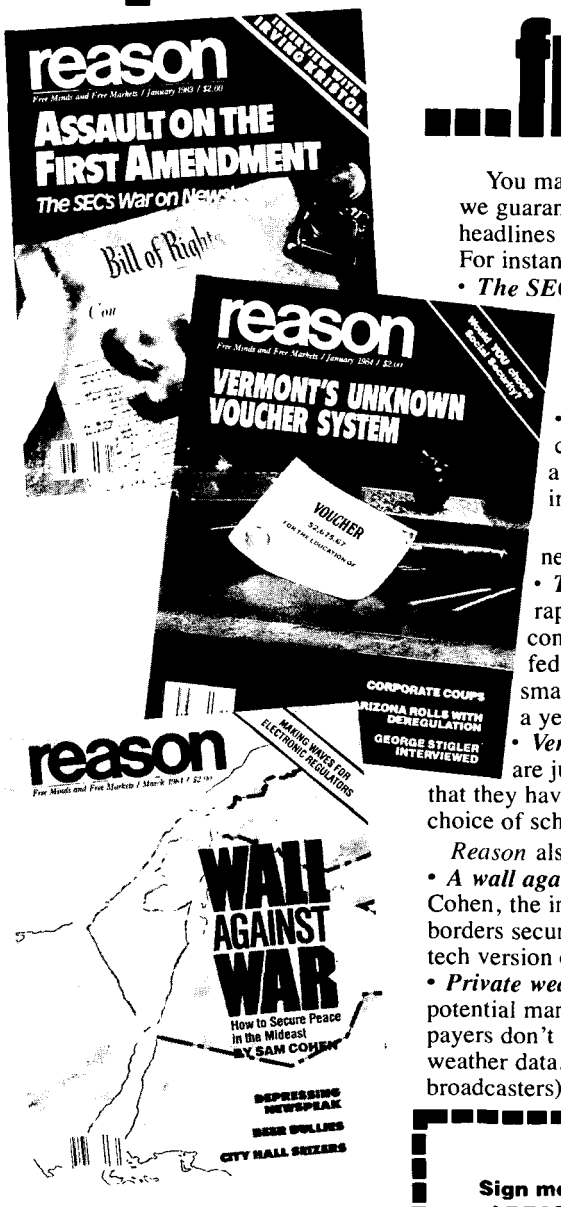

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Reason also turns up provocative proposals for change:

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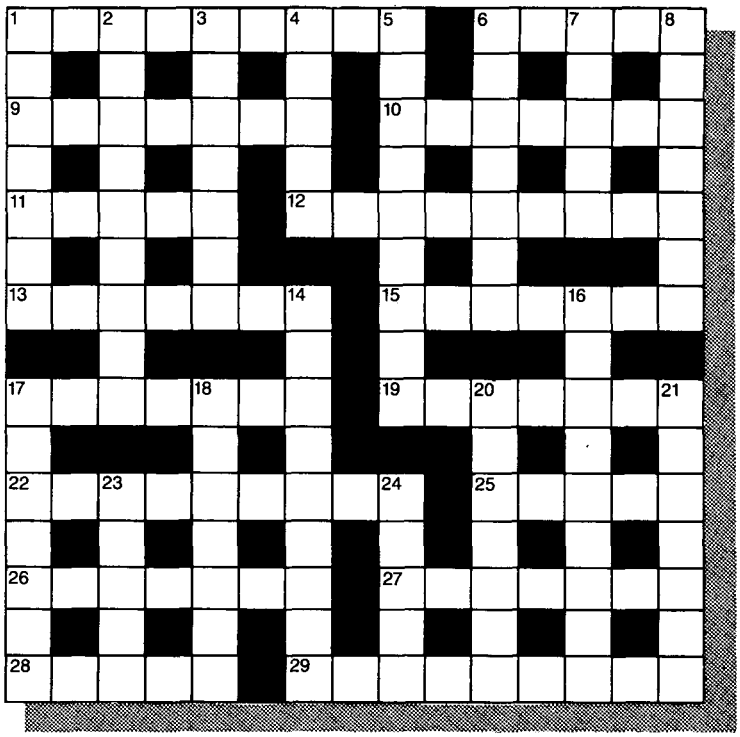
POLITICAL PUZZLE

by John Barclay

The numbers indicate the number of letters and words, e.g., (2, 3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word.



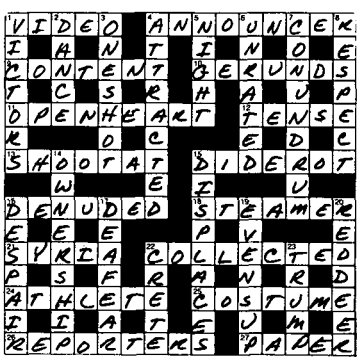
ACROSS

1. Lil sanded vigorously Reagan accomplishment. (9)
6. Command positions in North Carolina? (5)
9. Support uranium in unusual return. (7)
10. African land is a unit in rare form. (7)
11. Alternate article in conjunction. (5)
12. Assemble torn parts to carry. (9)
13. Make from unrest a statement of essences. (7)
15. Retiring Barber on the Hill. (7)
17. Sleepily submits form? (5, 2)
19. Carefully add less burdens. (7)
22. Eastern prose twice managed the tyrant. (9)
25. Artificial connection in American allegory. (5)
26. Dorothy's dog adopts Reagan in Canada. (7)
27. They block passes? (7)
28. 1984 loser in super cycle race. (5)
29. Nine atoms displayed in untypical state. (9)

DOWN

1. Lon disturbed after fifty incorporated in Nebraska. (7)
2. Rat thorns interpreted properly point the way. (5, 4)
3. Uncommonly pure railroads act as incentive. (7)
4. Clumsy it takes author up. (5)
5. Beguiling doors? (9)
6. Practical approach nearly keeps Ann shod. (5, 2)
7. Capture girl with nothing on. (5)
8. Setting up last tee in Washington. (7)
14. Desert phenomenon darns most clearly. (9)
16. Messy stolen bag is someone's. (7, 2)
17. Dance around wet pots (3,4)
18. Backward manner of reproof? (7)
20. State awkwardly cleared. (7)
21. Aisle is constructed in Eastern Europe. (7)
23. Avid student serves drinks, we hear. (5)
24. Cabinet member stirs anger. (5)

Answers to last month's puzzle:



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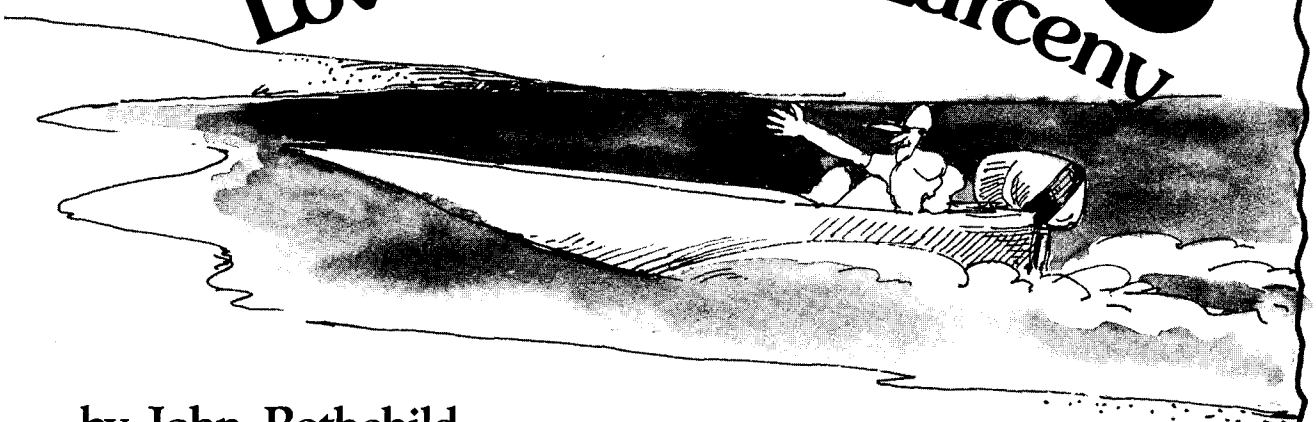
FROM CHOKOLOSKEE CHICKEN TO PANAMA RED: FLORIDA'S Love Affair with Larceny



by John Rothchild

[Editor's note: In exploring why certain government policies fail, policy makers in Washington too rarely consider the influence of culture. Many problems persist not for lack of rational thought about the solution, but because they are addressed in a vacuum, without an understanding of historical and sociological factors that created them in the first place. The failure of drug enforcement in Florida is an example. Despite a variety of government efforts over the years—including, most recently, a federal task force headed by George Bush—drugs continue to pour into the state, making a mockery of the government's attempts to enforce the law. In the following excerpt from his forthcoming book, Up For Grabs, *John Rothchild looks at the reasons for this failure that are to be found not through the study of law enforcement theory but by looking at Florida's past and collecting first-hand observations of its people and institutions.]*

Illustration by Andy Meyer

I settled in Everglades City in 1973. The natives there belonged to a fundamentalist sect called the Church of God. The women and some of the men attended Sunday services and Wednesday night sing-ins. They frowned on jewelry and disallowed dancing. The major social event, besides the annual seafood festival and high school basketball, was the church supper. Hints that an alliance between some fishermen and drug smugglers would be even theoretically possible were dropped very gradually.

Illicit trade was a tradition in Everglades City. A few months after I arrived, some of my neighbors invited me to several meals of endangered species, either loggerhead turtle, gator tail, or curlew birds (locally called Chokoloskee chicken), all of which tasted indistinguishable when deep-fried. These people could afford chicken. They were regular shoppers at the supermarkets in Naples. Endangered eating was ritualistic larceny in the spirit of the English serfs

John Rothchild is a former editor of The Washington Monthly *who lives in Florida. This article is adapted from his book,* Up for Grabs, *to be published by Viking in March.*

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who feasted off the king's deer.

The king, in this instance, was the Everglades National Park, established in 1947 after the sons of Barron Collier, the developer who put Everglades City on the map in the 1920s, gave most of the area around the city to the government. The fishermen saw the park as an endless source of unnecessary channel buoys, boat registration forms, restrictions on the seafood industry, and drivel about the public trust. The park headquarters and ranger station, built at the south end of town, was despised as a kind of colonial embassy. The more the endangered species list grew, the more the Everglades residents delighted in depleting it at meals.

After I had eaten a few federally protected lunches I was told that my providers were descended from the plume hunters who shot up the bird rookeries back before the turn of the century. Chokoloskee Island, three miles south of what later became Everglades City, was a headquarters for the plume trade. Its earliest residents killed thousands of birds so the remains could be stuck in hats. Conservation versus millinery was the legal and ethical conflict of the 1900s. National disgust at the Florida end of the hat business led the Audubon Society to send two agents to investigate the bird-killing in 1903, when one of the agents got killed himself.

The sons of plume hunters flourished during Prohibition as moonshiners and rumrunners. The moonshine was made from locally grown sugarcane. The rum came from the Bahamas; it was wrapped in burlap packages called hams and transferred from offshore mother ships to the fishermen's small boats, then brought inland for distribution.

The woman who served me endangered loggerhead turtle (the daughter of a rum-running preacher) said that if I wanted more contemporary good stories to put in a magazine article, I should talk to Peg Brown, who was not old enough to have been a moonshiner, but whose father had been a moonshiner and whose grandfather had been a plume hunter. Brown used those same coastal islands where the birds were once shot and the liquor was later stashed to hide a third successive felonious merchandise, alligator skins, which Peg Brown himself had separated from thousands of alligators.

Peg Brown was reputed to be an exceptional fishing guide, a sharpshooter, and a man of his word. His colleagues thought of him as a sea-level equivalent of the Deerslayer. He was 60 years old when I met him in 1973, and six decades of natural tanning seemed to have stiffened him up somewhat, so that he moved as if he had a rod for a spine, and his speech sounded as if it had been recorded at 78 and was being played back at 16. This economy of movement and expression made him appear confident beyond swagger; nobody wanted to be on his bad side. Nobody said a negative thing about him, not even the park rangers he embarrassed with 10,000 alligator skins, his personal tabulation of a 20-year gross product.

In the Miami area, marijuana literally fell out of the skies. A bale of it broke through the roof of a house and nearly killed a man.

Brown took me on a day-long boat ride out the Barron River, across Chokoloskee Bay, around the confusing succession of small islands covered with the twisted root systems of mangrove trees. The rivers that separate these islands devolve into subtle little estuaries, and only local fishermen can negotiate the mangrove maze. We headed in and out of bays as wide as the entrance to New York harbor, and at each end the bays would narrow until it looked as if we were about to hit a solid wall of mangrove roots. Brown would approach the wall full-throttle, I would hunch over and close my eyes, and suddenly we were beyond the wall, inside the mangroves, speeding through a tunnel of foliage and with such critical tolerance that a veer of inches would result in a crash. We lay down in the boat now, flat as we could, the branches of the mangroves and oversized spider webs rushing across our field of vision a few inches above our eyes. Brown was steering—I don't know by what guideposts, since he seemed to be staring straight up. Then the boat would break out of the island

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and into wide water, and I looked back and saw no opening and understood what it meant, in the Everglades, to be a genius.

Brown used the maze to disorient the park rangers that futilely pursued him. He showed me the entrance to obscure lakes, where hundreds of alligators once floated until he methodically shot them in the head with his rifle, one after another, and then dragged them to an island to be skinned and salted, the rangers alerted to his activities by the buzzards that swarmed overhead. He showed me the stash places where he left the skins, sometimes for weeks, until it was safe to retrieve them in his boat and transport them back to Chokoloskee and then Everglades City, and from there in car trunks north to Tampa or New York. The money he received, and could not spend, he buried under a tree in his yard. The hide trade ended only with a national ban on the sale and manufacture of alligator products in the early seventies.

Felonious dinners, moonshiners, and poachers—I began to realize that the clandestine opportunism had enlisted the entire regional geneology, fathers, sons, uncles, and cousins, over a period of 75 years.

Big Bills at Momma Dot's

In the mid-1970s, Everglades City enjoyed a sudden and unprecedented prosperity. New porches were added; backyard swimming pools dug; elaborate upper decks and cabins appeared on the crab boats; radar installed; weathered seafood companies were updated with walk-in freezers; new storage buildings went up along the Barron River. A procession of new vans, their sides painted with mermaids, sunsets, and mountains, made its way into town. They were purchased en masse by fishermen. Down at Momma Dot's cafe, the popular look of the stone crab fishermen—work shirt, work pants, rubber boots—was modified to allow gold chains and jewelry, the display of which required that the work shirts be unbuttoned just above the belly. Some men wore several necklaces at a time. They bought them from the gold chain dealer who came to town once a month.

The hardware store located next to Momma Dot's cafe began to receive more $20 and $100 bills than could easily be changed. Many had the musty odor of decomposition, as if they had been deposited underground. Children who earlier had qualified for the poverty-level free school breakfast program began to drive around town in sporty little three-wheeled off-the-road vehicles. Teenagers in the high school on whom the teachers had taken pity because they could not read and would never elevate themselves beyond the drudgery of crab traps were now rumored to be millionaires. Fishermen on whom the park rangers had taken similar pity could now best a park ranger's annual salary in one night. Peg Brown's own brother Totch, who lived in a small cottage on Chokoloskee Island, eventually showed up in federal court in Miami to answer an IRS complaint about an avoidance of taxes. With his gnarled hands he produced more than $1 million in cashier's checks and offered up a similar amount in property in the hope that it would settle his little debt to the government.

The town's non-native residents were the last to connect the prosperity to the cause. First we heard that various fishermen had lucked into giant schools of very lucrative pompano, and when some bales of pot were captured offshore by marine patrols, they were thought to be flotsam from the urban marijuana industry.

But then there were monthly discoveries of floating bales; fewer crab boats went out at the usual early hours and more could be heard leaving the dock at night; hardly a conversation took place without some mention of drugs or jokes about the fish boxes being empty and Miami restaurants running out of stone crabs. Even the densest inhabitants realized that a majority of the stone crab fleet had been enlisted in a fourth consecutive illegal trade.

The youth of Everglades City, protected against such evil influences by their families and by their church, learned about marijuana the way children of industrial England learned about coal, collecting forgotten bits of it from the river banks, from the truck beds, from the ground. Eventually, they smoked it. Some of the smugglers did not like this result, while others concluded that pot was not half as bad as liquor. Some bought celebratory cocaine or Quaaludes. Marijuana smoking might not lead to heavier drugs, but marijuana profits did, and by 1979 it was not unusual to see fishermen with runny coke noses.

Everglades City's burgeoning new trade was left largely undisturbed by local law because in several families the uncle was a policeman and the cousin the pot hauler, or the father the policeman and the mother the town librarian and the son the pot hauler, or even the son the policeman and the father the pot hauler. (In other parts of Florida, local sheriffs elected on drug clean-up platforms and then paid thousands of dollars a night to let the shipments through learned to dissemble to

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some extent—occasionally they posed triumphantly for the newspapers alongside some baggie confiscated from a high school student.)

Garold Glendening of the Florida Marine Patrol, a state law-enforcement agency, was sent to Everglades City in part to put a stop to this. Glendening bought a house right next door to me; for months I watched him try to catch a smuggler. I used to feel sorry for Glendening, having to take his patrol boat out on mosquito-infested nights when the entire town knew the instant he stepped onto the dock.

On the other side of Glendening was Richard Wolferts, a local fisherman and one of the first to be arrested, not in Everglades City but somewhere up the coast. The night before he went to jail, Wolferts gave a huge party, attended by more than half the town, including all the local deputies and a majority of the local smugglers. He dressed up in a black-and-white convict suit and seemed to be in great humor. On the wall near the serving line for the barbecued wild hog he put up a wooden plaque, the kind used in mounting stuffed fish, but his prize catch was a burlap bale. Deputies and smugglers danced and reveled for hours in suspicious togetherness. Glendening was on the night shift; he had to leave the party and all his targets to go out on futile patrol.

There were so many drugs everywhere in Florida that confiscations were distinguished with brand names like Operation Sunburn, Operation Grouper, Black Tuna—the names of busts, for some reason, more indigenous-sounding than the names of subdivisions. Some economic reckoners said that smuggling, not tourism, was the biggest state industry. Certainly it was the biggest industry in Everglades City and doubtless in Miami as well. In the Miami area, marijuana literally fell out of the skies. A bale of it broke through the roof of a house and nearly killed a man. Bales were so prevalent that police lobbied for a change in the rules of evidence because they lacked storage space to keep the bales until the trials. Florida Power and Light burned marijuana in the generators—736 pounds of marijuana equals one barrel of oil was the new Florida-inspired energy calculation.

The rewards of tolerance

Perhaps any state, any region, any culture, would not have resisted this profitable opportunity. Yet I was astonished by the universality of it, by the tacit support of the local establishment, without which a felony could never have become the state's major source of revenue. Is there in the Florida setting, I wondered, a peculiar penchant for crime that exists around the carnival of its real estate and beyond the purview of millions of its J. Edgar Hoover-loving retirees?

Florida's current attorney general, Jim Smith, told a congressional committee that "through an accident of nature and geography, Florida has become an international port of entry for most of the illicit drugs entering the United States." The "accident of geography" speech is standard with politicians and state officials who must explain to Rotary clubs and chambers of commerce how marijuana came to be Florida's biggest industry. The officials do not stop at saying that smuggling is a *result* of geography. That in itself would be enough to divert the blame from society to the coastline full of hiding places, or to the latitudes, which stick in the state like a nose into the sewers of the Caribbean. They always are careful to add that the geography itself is an "accident," thus diverting the blame from whatever gods laid out the continent.

What sort of accident is this? One that repeats itself, certainly; the last time so many officials blamed a crime on geography was during Prohibition. Florida had more nature in which to disappear back then. How similar the modus operandi for both drugs and liquor, right down to the wrapping of the product in burlap (the marijuana package called square grouper; the liquor package, a ham), the transporting of it over the same sea routes, the cutting of it with some cheaper substance (with booze, it was water; with cocaine, laxitives, Drano, or powdered milk), the manufacture of high-speed boats to outrun the Coast Guard (in the 1970s, cigarette skiffs that claw the water like sequined fingernails; in the 1920s, it was Nuta-built 34-footers with twin Liberty engines), the endless confiscation of these boats, stacked like attic trophies along the Miami River, the frequent murders (the per capita rate higher in 1925 than in 1981, we were recently relieved to discover in a report entitled "Historic Trends in Dade County Homicides"), the proud list of seizures (government announces $1 million in liquor seized in 1926-28, sheriff's department closes down 300 stills in the Everglades, recalls 1,820 gallons of moonshine, 3,640 quarts of liquor, 72,500 gallons of mash, 25,352 bottles of home brew, federal agents pour 240 bottles and 25 gallons of moonshine down a Miami manhole, in the presence of amazed and unhappy onlookers). (I should acknowledge here my debt to "Miami's Bootleg Boom: A Decade of Pro-

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hibition," a master's thesis submitted to the University of Miami by Patricia Buchanan in January, 1967.)

At the beginning of the Florida boom Miami was a mud town, fewer than ten years connected to the nation via train. With no industry to which the virtues of pluck and luck applied, the model for economics was real estate, and land had gone from $10 an acre to $10,000 an acre in a matter of months. The only substance besides land that offered a similar return was illegal liquor, which first sold for less than $10 a quart, diluted. Quick fortunes were made by such legendary rumrunners as Bill McCoy (the "real McCoy," who didn't cut his product), Cleo and Bootleg Sue, Havana Kitty and Jiggs Donahue, Stingray Jake Bunton.

Federal authorities estimated that Prohibition was 75 percent less enforceable in Florida than in other states, and not because of its natural hiding places. Like some of their successors in the marijuana trade, the rumrunners didn't have to hide anything. Policemen, bankers, judges, lawyers were all tied up in the business in Miami, where there was no corresponding legitimate industry to support bribes and boodle. The brother of the prosecuting attorney of Dade County—Miami's county—was arrested with a boatload. As soon as six bootleg policemen were removed from office their replacements were implicated in the same business. Rumrunners were the toast of the clubs; they bought the biggest houses. Along with the real estate speculators, they were Miami's first aristocracy.

The rewards of tolerance outweighed the demands of conviction. In its editorial section, the *Miami Herald* opposed the bootleggers, the violence, the illegal trade; but then every time the police collared a suspect who was also a tourist, the newspaper blasted the police on the front page. Searches and seizures of any Miami visitor were by definition unreasonable. The mistaken arrest of a delegate to a 1920 dental convention (even then, they had dental conventions) brought out a banner headline: "Officers Carry Out Enforcement of Prohi Amendment in High-Handed and Autocratic Manner." The *Herald* pointed out that the dentist invested heavily in Miami real estate on previous visits and wondered how "this might affect the tourist trade next winter."

It was the Coast Guard, and not the smugglers, who were the local Public Enemy Number One. Red Shannon was a Miami rumrunner and supplier of local hotels. Finally the Coast Guard caught up to him and his Liberty engines and chased him around Biscayne Bay. Shots were fired. Shannon was killed. The guests of the Flamingo Hotel could see it all from the hotel dock. Four Coast Guardsmen were indicted by a local Miami judge for manslaughter, and then, after the Coast Guard refused to accept the subpoenas, the state of Florida filed murder charges against them. The case was diplomatically postponed and the men were exonerated, but Miami had chosen its side.

Is there in the Florida setting, I wondered, a peculiar penchant for crime that exists around the carnival of its real estate and beyond the purview of its J. Edgar Hoover-loving retirees?

Later, after the populist phase ended and the neighborhood bootleggers gave way to organized crime leaders from out of state, the Miami area offered Al Capone acceptance. (Capone had sought residence in at least ten other cities from Kansas to Georgia and none had made him feel comfortable.) It was not total acceptance—Miami newspapers berated this visitor as newspapers everywhere had done—but beyond the superficial outrage at his presence here, Capone was treated with unusual hospitality. He enjoyed the tolerance of hoteliers with empty suites, and of real estate agents with no immediate prospects. When he arrived in 1927, Florida was in its bust market, and any potential land buyer looked good.

So in his role as mayor of Miami Beach, J.N. Lummus Jr., going through the motions that the mayors of other cities had already ritualized, announced that Capone was "unwelcome." Mayor

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Lummus said that he had told the gangster as much to his face. But in his role as realtor (what else would he have been?) Lummus secretly searched for a nice house for Capone and finally found one, over on a satellite island. The symbiosis between Florida crime and Florida real estate is internalized in the person of Lummus, who as a citizen rejected Capone but as a businessman could not afford to. The mayor was criticized when his private dealings with the gangster were exposed, but he was not removed from office; too many in his constituency would have done the same.

The ghost of Colonel Nutt

This was the town that Colonel L.C. Nutt had promised to rescue via his federal task force in 1922. His entry was triumphal; the colonel was amazed at the ease of gathering the incriminating facts. "Colonel Nutt's Forces Unearth Sensational Evidence," the *Herald* said. "Banks Involved in Booze Trade," another headline informed. And after several weeks of sleuthing, 40 federal agents in eight squads struck in a surprise attack March 20. They raided Jack's Chili Parlor, a speakeasy called the Hillcrest just off the Dixie Highway, and a fish house near the South Miami bridge.

Miami had been tipped off. The real surprise was that the Nutt forces nabbed anybody; they managed to arrest only 20 people. "Prohi Raids Prove Failure," the *Herald* headline said. Those arrested were not overly concerned even then—the entire federal effort on land, sea, and air resulted in six convictions. *The New York Times* reported that Col. Nutt retreated from Miami: "before he was laughed out of the state, but not before the snickers were audible."

In 1982 Vice President George Bush brought his federal task force to Miami; airplanes, undercover agents, support on ground, sea, and air, united to stop the drug traffic. "Halt Flow of Drug Money, State Urged," the *Herald* headline said. There are spectacular busts all over south Florida, more arrests in the customs lines, the feds are amazed at the ease of getting evidence. Bush claims victory in the paper, but then a few months later, one opens the *Herald* to find a front-page article on the cocaine glut. So much cocaine has found its way to Miami that the price has collapsed.

The Bush task force may be discouraged, but it is not disbanded: the only difference between Bush and the colonel is that nobody laughs in public anymore. ■

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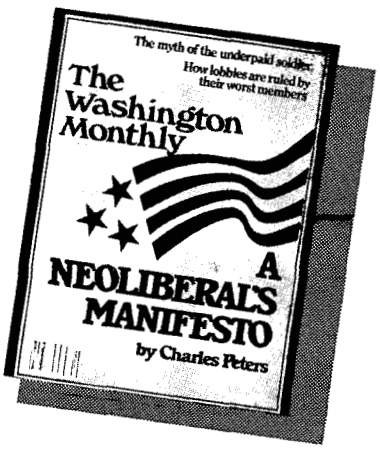

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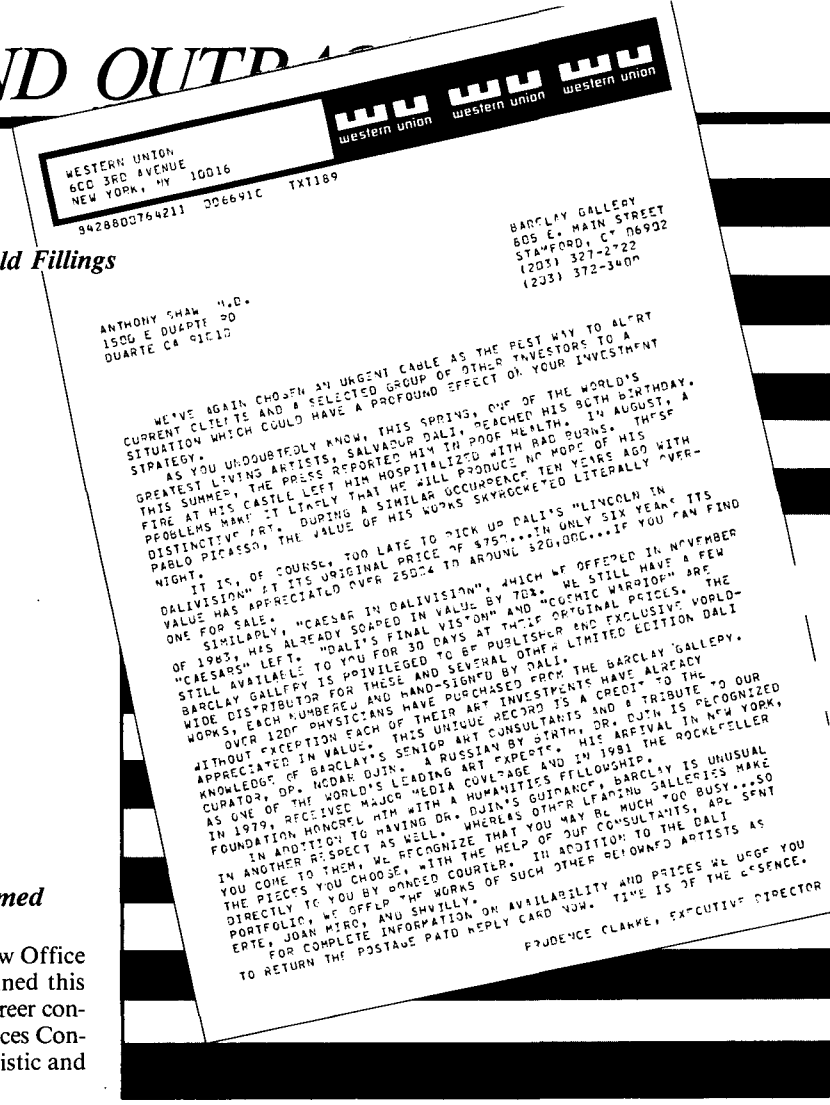
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'Takes A Nuclear Licking and Still Keeps on Ticking...'

The Rado Watch Company is running a TV ad based on the last scene of "The Day After," in which a wristwatch was pulled from the rubble that was Lawrence, Kansas. Rado's commercials picture its new $700 Rado DiStar being unearthed from the remains of the Statue of Liberty.

■

Be Sure to Remind Him or Her to Have the House Vacuumed When You Return

An article in *USA Today*, "How Office Parties Can Work for You," contained this advice from Terry Petra, head of a career consulting firm called Professional Services Consultants: "If your spouse is antagonistic and vocal, leave him or her home."

◆

'Hi, I'm Not in Right Now, But If You'd Like to Leave a Message I'll Be Back in About 20 Light Years...'

Teleplanet Services of Sudbury, Massachusetts, offers radio transmissions to any of the other eight planets in the solar system "as well as to other destinations in the universe." Teleplanet will send messages of 25 words or less for $9.98 to fill what it calls "a [illegible] to [illegible]

■

'Hello Sweetheart, Get Me W.J. Sloane'

According to a four-color brochure for the newly refurbished National Press Club in Washington, "our formal dining room will impress even the most discriminating tastes" and "some rooms are designer originals with furniture groupings to lend an air of casual importance."

◆

All We are Saying is Give Permanent Pre-Hostility a Chance

The State Department was awarded the National Council of Teachers of English annual Doublespeak Award for its substitution of "unlawful or arbitrary deprivation of life" for the word "killing" in reports of human rights violations. Runners-up included the FAA's "controlled flight into terrain" for airplane crash and the Pentagon's "permanent pre-hostility" for peace.

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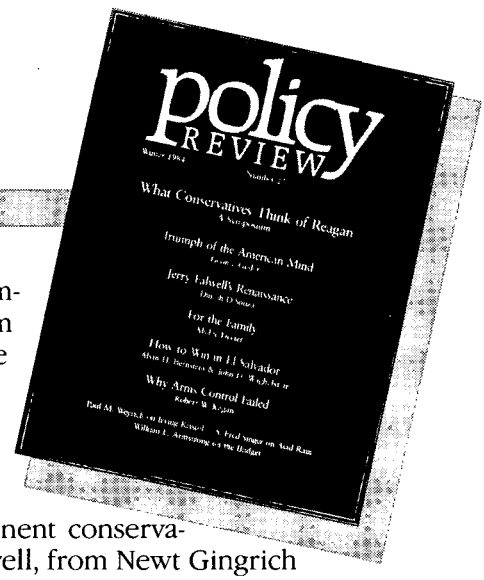

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The Case Against Reform

by Thomas B. Edsall

Self-declared political reform movements are among the most ambiguous forces in America. Proclaimed as drives to eliminate corruption, bossism, and secrecy, many reform efforts in this country have been stalking horses for groups pushing their own covert agendas. The goal of the Progressive movement to prevent machine control of the political system produced restrictive voter registration laws that in practice became vehicles for a Protestant middle- and upper-class to restrict the growing political clout of Irish and Italian immigrants. In 1908, California Governor Hiram Johnson pushed through legislation gutting the power of political parties in the state and produced a system glorifying political irresponsibility. Party fundraisers have been replaced with lobbyist-fundraisers; single-issue initiatives, with governance by elected officials; and the campaign functions of party officials have been taken over by paid political consultants with no allegiance to substantive policy, and no public responsibility.

"Overall, the Progressives' reforms of government procedures were not an impressive contribution to the American heritage of democracy," Andrew McFarland pointedly notes in his new book.* For Common Cause, the mixed achievements and failings of the Progressive movement pose the central question: Is the self-proclaimed citizens' lobby a representative of the general interest or of an upper-middle class elite? McFarland has written an intelligent, thoughtful book that comes down in favor of Common Cause. For any student of reform movements, it is a significant contribution. Unfortunately, the book is written from the inside of Common Cause looking out, a sympathetic portrayal of the techniques, aims, and internal structure of a lobby run by intelligent, articulate, likable men and women.

In the most interesting section of the book, McFarland carefully outlines the demography of the membership of Common Cause, showing that it is an organization made up of an affluent, well-educated, liberal elite. The median family income of members is about twice the national average, and fully 75.8 percent of the members have completed college, including 42.6 percent who have an advanced graduate or professional degree. Some 53.2 percent of the members describe themselves as liberal or very liberal, while only 7.3 percent call themselves conservative or very conservative. An estimated 99 percent of the members are white, but, unlike the white population at large, 67 percent of the contributors to Common Cause describe themselves as Democrats and only 19 percent as Republicans. The core of the membership grows out of a very special universe of Americans: "There seem to be 100,000 households in the country that contribute a total of $75 a year to three or more of the following: Common Cause, Nader's Public Citizen, the League of Women Voters, the ACLU, public radio/television, and environmental lobbies."

By any statistical standard, then, Common Cause is made up of affluent, white Democrats. McFarland argues, however, that the leadership and staff of Common Cause have effectively avoided the danger of falling into the trap of the Progressives—serving the needs of its privileged members at the expense of the working class. Instead, Common Cause has succeeded in winning approval of legislation and rules "opening up the system." These included the elimination of many closed congressional hearings, the required public disclosure of politicians' holdings and sources of income, and campaign finance measures providing public financing of presidential general elections and full disclosure of all contributors to federal elections.

These are all legitimate and important victories, but they are not as clear-cut as McFarland suggests. The campaign finance reforms have in many ways encouraged and legitimized special-interest campaign financing through political action committees. Open congressional hearings

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more often benefit lobbyists, who actually attend the sessions than they do an undifferentiated "general public."

But much more importantly, McFarland neglects the larger role of reform in the 1970s. Common Cause rode, and to some extent directed, the crest of a wave of public revulsion with politicians resulting from Watergate and all the related scandals. Watergate had clear partisan consequences: it severely damaged the Republican party and gave a beleaguered Democratic party a massive boost, pushing the Democratic advantage in the House from 50 seats in 1973 to 149 in 1977 and handing the party the presidency in 1976.

This massive swing to the Democratic party had nothing to do with policy, however. On such gut economic and social issues as taxation, domestic spending and abortion, the Democratic party was in severe trouble, reflected in the strength of George Wallace's independent bid for the presidency in 1968, the failure of the nomination of George S. McGovern in 1972, and, most recently, in the 1980 and 1984 election and reelection of Ronald Reagan. Watergate was a stroke of undeserved luck that offered the Democratic party a brief opportunity to address the problems of a federal tax system that had become increasingly burdensome on its own core constituency—the working and lower middle class—and a welfare system which that same core constituency saw as a method of transferring hard-earned dollars into a slum of wastefulness.

Instead of capitalizing on the overwhelming Democratic majorities in the 94th (1975-76) and 95th (1977-78) Congresses to stem the hemorrhaging of white Democrats into the independent and GOP columns, Democrats in those Congresses were dominated by a reform agenda, defined in large part by Common Cause. The successful enactment of much of this reform agenda, along with Democratic victories in 1976, lulled the party into a false sense of security, entirely unprepared to cope with a changing electorate. ■

Thomas B. Edsall is a writer for The Washington Post *and author of* The New Politics of Inequality, *published by W.W. Norton.*

**Common Cause: Lobbying in the Public Interest.* Andrew S. McFarland. Chatham House, $20.

A Mil-Symp Takes on the Pentagon

by Nicholas Lemann

Readers with less than fond memories of Edward Luttwak's tendentious *Commentary* story of a couple of years back, "Why We Need More Waste, Fraud, and Mismanagement in the Pentagon," will be surprised by this book,* which is first-rate. Luttwak's great strength is that he *really* knows what he's talking about—by virtue of the quality of his sources and the years he has devoted to the subject, he's absolutely not blinded by the smokescreen of manly technobabble that emanates from the Pentagon. Much of the ground Luttwak covers will be familiar to those who follow the foibles of the military. Weapons are gold-plated past the point where they work; the officer ranks are swollen with ticket-punchers; interservice rivalry is the real determinant of how things are done; the Grenada operation was a military embarrassment dressed up as a great victory for public relations purposes. What Luttwak adds to all this is a tone of complete authority. One has the feeling that he knows the difference between the real screw-ups and the things that can be made to look like screw-ups, but aren't really. He also deserves credit for being a member of the small band of conservative military experts (George Kuhn of the Heritage Foundation is another) with the guts and the knowledge to attack the Reagan "rearming of America" as the greatest government spending spree of all time, devoid of military logic. In particular, it's refreshing to find a mil-symp who sees through John Lehman, the secretary of the Navy, a master of the Washington game who has walked away with the store budgetarily for the strategically questionable goal of a 600-ship Navy.

Two quibbles: First, Luttwak is extremely wary of the military reform movement and of cutting the defense budget. In this he reflects the views of the thoughtful, concerned officers who seem to be his main sources. These people feel that the reformers are wolves in sheep's clothing—that is, liberals whose real goal is to eviscerate the military (in this view, that's what all liberals want). In the Pentagon, there is the feeling that if one wants to criticize the F-15, or the Aegis

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cruiser, or the Bradley Fighting Vehicle, that's fine, but one has to prove one's bona fides by saying the budget still needs to be bigger. There is still an extremely strong us-against-them feeling in the military, accompanied by a sense of life on the outside that's hazy at best. Typically, smart military people (and Luttwak) will wave off any concerns abut the deficit by saying, "cut welfare" or "not our problem." The cultural divide between military and civilian is by now practically the main impediment to reform. If the like-minded inside and outside the Pentagon could ever get together, they'd be unstoppable.

Second, Luttwak's solution to the mess, a "national defense staff" that would replace the Joint Chiefs, is a good idea—there's plenty of reason why so many people want to abolish the Chiefs, who tend to be just lobbyists for their services—but it's outweighed by the weight of the condemnatory detail that has gone before. Luttwak has done such a good job of convincing us that the Pentagon is rotting from top to bottom that he makes it hard to believe that one simple change is the answer. ■

Nicholas Lemann is a national correspondent for the Atlantic *and a contributing editor of* The Washington Monthly.

**The Pentagon and the Art of War: The Question of Military Reform.* Edward N. Luttwak. Simon & Schuster, $17.95.

Why I Like Ike

by Richard Reeves

Most of us "liked" Ike, but respect was something else—at least until recently. Now the second volume of Stephen E. Ambrose's workmanlike and intelligent biography* confirms what some of us first suspected, reluctantly, then knew: Dwight D. Eisenhower, the 34th president of the United States, was a gifted and moderate leader who usually knew exactly what he was doing and was personally sensible and secure enough not to need constant private reinforcement or public adulation. In other words, it may have made Eisenhower mad as hell if people thought he was stupid or weak, but it did not confuse him or deter him from continuing in a seemingly unspectacular way to do what he thought was right for Americans and possible in America.

That does not mean that he always understood the right or the possible. Ambrose, who was associate editor of Eisenhower's papers and spent five years with the former president at the end of his life, is sorrowfully critical of his subject in two areas: his passive resistance to civil rights for blacks and his unwillingness to act against his party's most poisonous member, Senator Joseph McCarthy.

"As always when he got back from Augusta," Ambrose mentions in an aside after Ike had been playing golf with rich cronies in Georgia, "Eisenhower was full of sympathy for the white southerners' point of view." As for the president and the senator from Wisconsin, Ambrose concludes that Ike's way may have been paved with good intentions, but it led to overestimation of the strength of McCarthy's noisy supporters on the Republican right and then to cowardice: "He was determined to destroy McCarthy, as he destroyed Hitler, but...the direct assault against Hitler was replaced by an indirect assault against McCarthy, one so indirect as to be scarcely discernible, and one which contributed—at best—to McCarthy's downfall."

That is as critical as this volume gets in covering Eisenhower's life from the day he became president in 1953 until his death in 1969. (Ambrose's first volume, *Eisenhower: Soldier, General-of-the-Army, President-elect*, covered the years from 1890 to 1952.) The work ends with these sentences: "'I want to go; God take me.' He was ready to go home, back to Abilene, back to the heart of America, from whence he came. His great heart stopped beating."

Ambrose, a professor of history at the University of New Orleans, found Ike "appealing...firm, fair, objective, dignified, he was everything most Americans wanted in a president." This Ike was not the syntax scrambler we saw on television. This president came to office

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among the best qualified in American history, having lived many places in the world, worked with the leaders abroad and at home, and "in his spare time" was reading the Federalist Papers at his desk in the Oval Office.

Eisenhower, both volumes, is an admirable and professional job. It will, I would guess, stand as the definitive work for a decade or two. Then someone will produce a more judgmental version of the great American story of the poor boy from Kansas, a football player, who went on to lead the most powerful nation of his time. Beneath Ambrose's pleasant glow of hero-worship, the book generally does not even choose between the worth of actions and passions. The organization is chronological, day-by-day in the White House and beyond.

Seen that way, Eisenhower, who kept a diary to guide biographers, comes off as a sophisticated, determined and sane leader. He not only listened; there is ample evidence here that he heard what people were saying. He seemed open in many areas, to many ideas. (Race, unfortunately, did not seem to be one. Ike may have been a nice racist. But, if he did not have the commitment to push civil rights, he had the wisdom to keep his mouth shut in public.)

As president, Eisenhower, among other things not always associated with moderate conservatives, increased the national commitment to government support of education and the elderly—and he used massive amounts of federal money to build the modern road system essential to the country's post-war boom years. In the area he knew best, national security, he had the sense and political clout to get his army out of an unwinnable war in Korea, and, again and again, he spoke in words that should be engraved on buildings around the country:

"Ladies and gentlemen, there is no amount of military force that can possibly give you real security, because you wouldn't have that amount unless you felt there was a similar amount that could threaten you somewhere in the world. . . .The jet [fighter] plane that roars over your head costs three-quarters of a million dollars. That is more money than a man is going to make in his lifetime. What world can afford this sort of thing for long? We are in an armaments race. Where will it lead us? At worst, to atomic warfare. At best, to robbing every people and nation on earth of the fruits of their own toil."

That came from our greatest soldier, but we still don't get it. There is a lot Eisenhower knew, at least intellectually, that he and we ignored and continue to ignore at our great peril. This is what Ambrose wrote of the president as he prepared for a summit meeting with British Prime Minister Winston Churchill and French Premier Joseph Laniel at the end of 1953: "Eisenhower thought both European leaders were just hopeless on these colonial questions. In the president's view, they were simply blind to the strength of nationalism as a force, and he feared that their refusal to meet demands for self-government would lead to the loss of the Third World to Communism."

So, all in all, I found myself still liking Ike. Growing up in a Republican family, I can remember writing an essay as a high school freshman regretting that I wasn't old enough to vote for him. Over the years, impressed by the brilliance and commitments of Adlai Stevenson, I questioned that young enthusiasm. Now, I think again that Ike was the man for that time. Perhaps it is only nostalgia, but I would be happy, in some future election, to have to choose between two such men. ■

Richard Reeves, whose work formerly appeared regularly in this space, is a syndicated columnist. He is author, most recently, of Passage to Peshawar, *published by Simon & Schuster.*

**Eisenhower: The President.* Stephen E. Ambrose. Simon & Schuster $24.95.

Redistributing Misery

by Mickey Kaus

Psst, Democrats! Wanna new idea? Martin Weitzman's got one. In this short, fascinating book,* he says that with one simple change modern capitalism can overcome its basic dilemma: how to achieve full employment without inflation.

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The change is to pay workers a substantial chunk of their compensation in the form of a variable bonus that represents a share of their firm's revenues or profits. Unlike other proponents of such schemes, however, Weitzman does not want to produce labor-management camaraderie or improve productivity, aims he characterizes as "soft-boiled." His is a more "hard-boiled," and hard-edged, argument.

Weitzman points out that when workers are paid fixed wages, firms in our semi-monopolized economy respond to any economic downturn in the worst possible way. Unable to lower wages, they cut costs by laying off workers and reducing production while maintaining their prices (as Detroit did from 1981-83). Since laid-off employees have little money to buy things, the recession feeds on itself in a vicious cycle of unemployment, low growth, slack consumer demand, and high prices. The standard Keynesian solution—boost demand with government spending—threatens to drive prices up further. And the likely cure for the resulting inflation is a brutal Volckerian recession.

A "share system," Weitzman argues, would behave differently. Because an additional worker may be hired for only a low fixed wage plus a part of whatever revenue he adds to the firm, management will have a powerful motive to hire as many workers as it can (as long as they are worth at least the fixed wage). Capitalists will go on a permanent hiring binge, according to Weitzman, sucking up pockets of unemployment like "vacuum cleaners" until there are simply no unemployed left. Even if demand fell slightly, workers' pay would automatically fall along with it (as their bonus shares were reduced). Managers will not have to resort to layoffs and instead will maintain full production while trying to lower prices (and hire any workers who might have been thrown out of work elsewhere). With no vicious cycle of layoffs, lost production, and high prices, any recession would be nipped in the bud.

So who would lose under this arrangement? "The tenured high seniority worker who receives, in a handful of overpaid industries, a non-competitive wage." These workers would see their pay reduced because, in effect, they would be forced to compete with the new employees their firms were constantly hiring. And there's the rub. Weitzman's plan is basically a mechanism for forcing workers who enjoy jobs with comfortable wages to sacrifice in order to give slightly less good jobs to those who have no jobs at all, and to eliminate recessions. It's a good bargain. Unfortunately, American unions have been going in exactly the opposite direction for decades, fighting to restrict employment in order to boost the pay of those lucky enough to keep working.

Weitzman acknowledges that union power is his biggest obstacle. He suggests offering (groan) a tax break on bonuses to workers whose unions "foreswear restrictive hiring practices." He also hints, velvet glove style, that "the bargaining power of labor unions is not a natural right."

Unions are also one reason why Weitzman is less persuasive in demonstrating his idea's superiority in inflation-fighting (as opposed to unemployment—fighting). He concedes that in a "share system" unions could still negotiate inflationary pay hikes, but he says these increases will be only temporary because management will soon hire more workers and thus dilute everyone's bonuses. But just because gains are temporary doesn't mean unions won't try for them. That is the tragedy of the wage-price spiral. If Weitzman's system stops all such inflation, it would seem largely because it presupposes that unions will somehow be stripped of much of their power. Of course, in a recession Weitzman's system would be far superior, since the pain of income loss would be spread and prices would be lowered quickly, "wringing out" inflation without the mass layoffs it took to do the job two years ago.

Weitzman's idea is emphatically *not* worker-ownership. Worker-owners might be the first to try to restrict hiring to avoid having to cut new workers in on the profit-sharing goodies. Only independent managers will keep on hiring and make Weitzman's full-employment machine work. Weitzman also calls into question some other appealing Democratic ideas—who needs public works jobs if in a "share economy" IBM will be dispatching teams of recruiters to scour the ghettos for able bodies?

Weitzman may or may not convince you that he is the tough-minded successor to Keynes as savior of capitalism (I still feel a little "soft-boiled" myself). But we need to hear more of the argument he has started. ■

Mickey Kaus is a contributing editor of The Washington Monthly.

**The Share Economy: Conquering Stagflation.* Martin L. Weitzman. Harvard University Press, $15.

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POLITICAL BOOKNOTES

The Interferon Crusade. Sandra Panem. *Brookings, $25.95.* Touted as a possible wonder weapon against cancer as recently as three years ago, interferon has lost its luster amidst inconclusive clinical results and reports of harmful side-effects. But the question of interferon's efficacy is not Panem's subject. Instead, she uses the tale of its promotion and development as a vehicle for discussion of the policy issues that have arisen with the emergence of biotechnology and its rich commercial possibilities.

Panem describes how, in the mid-1970s, Mathilde Krim, a geneticist at the Memorial Sloan-Kettering Institute, managed by sheer public relations skill to focus the interest of government, philanthropists, and investors on interferon, a group of naturally occurring proteins whose promise as a cancer cure was supported only by ambiguous results from a single clinical trial.

Panem's account is an object lesson in how politics can take precedence over scientific merit in setting the course of research. The "interferon consciousness-raising" that Krim initiated led directly to a surge in spending for interferon research by the National Institutes of Health and private foundations. It also encouraged many of the small biotechnology companies spawned by the development of recombinant DNA technology to choose interferon as their first product. "The fascination of a possible cancer cure," Panem writes, "drove researchers, investors and the business community to target interferon."

Since then, vast sums have been spent and false hopes raised in patients and families. Were worthier projects neglected because of the hype? Who is to blame for it? Panem slips by such questions with irritating judiciousness.

Instead she concentrates on more familiar issues such as the restrictions on information exchange that can accompany industrial sponsorship of research, the possible conflicts of interest among professors, universities, government, and industry over patent rights, and the siphoning of talent from academe into industry.

Her treatment of such issues is brief but balanced. But the emotions that surrounded the development of interferon made it a unique case, and its peculiar issues demand more trenchant analysis than Panem gives them.

—*Timothy Appenzeller*

The Policy Game: How Special Interests and Ideologues are Stealing America. Peter Navarro. *John Wiley, $18.95.* Much of this book can be quickly skimmed. Navarro, an economic researcher at Harvard, has a tendency to indulge in political philosophizing and to construct elaborate models that do little more than quantify the intuitive and glorify the obvious.

What distinguishes this book are several perceptive and highly useful "case studies" that detail how policies promoted by both liberal and conservative interest groups often fail miserably in producing their ostensible goals. Farm groups invariably argue that the current patchwork of agricultural subsidies is necessary to preserve the family farm. Navarro shows how these policies often weaken this institution by artificially inflating land prices, stimulating over-production and making it all but impossible for young people to enter farming. Rent controls are often urged on behalf of low-income families, the old, and the preservation of neighborhoods. But artificially cheap apartments give landlords more discretion in choosing tenants; over time, they tend to select renters from their own social class. In Cambridge, Massachusetts, for example, the proportion of students and professionals living in rent-controlled units doubled between 1970 and 1980; meanwhile, the number of families fell by half.

—*Phillip Keisling*

"A pioneer work on redefining and renaming the points on the political spectrum." —**Michael Barone** *Almanac of American Politics*

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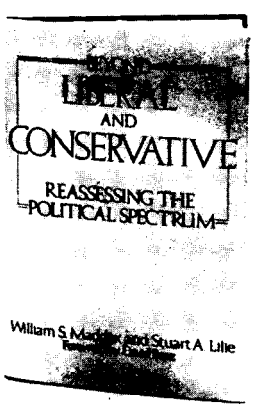

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The Lost Soul of American Politics: Virtue, Self-Interest, and the Foundations of Liberalism. John Patrick Diggins. *Basic Books, $23.95.* Thoreau called politics "the gizzard of society." Regrettably, this disparaging view of civic life seems to typify how Americans have thought about politics. Intellectuals take comfort in their smug belief that politicians are dumb. Businessmen pride themselves in thinking that politicians haven't really "made it." And most suspect that politicians are corrupt egomaniacs.

Diggins shows that such attitudes have prevailed since our nation's beginning. From the Founding Fathers on, American political attitudes have been dominated by a brew of Lockean liberalism and Puritanism that doubted whether human nature allowed much room for unselfish political involvement at any level. The Founders thought talk of community, of a *polis* to which we should subjugate parochial interests, was foolish and subversive, just as too many Americans do today. Traditional American virtues—independence, hard work, piety—have always been apolitical; public service never made the short list. And liberalism taught that government shouldn't meddle with things like "private" morality.

Socially, the Puritans saw politics as presumptuous before the Creator, and our most indigenous moralists like Ben Franklin taught that real virtue was found in a penny saved, not in public service. Politically, the Founders were too pragmatic to rely on things as vague as benevolence and civic virtue when it came time to design a government. Epitomized in Madison's pessimistic view of social man and his fears of factionalism and class war, American political attitudes from the beginning were suspicious of direct democracy and politicians. More surprising, Diggins finds that the most famous critics of American politics and culture—the Transcendentalists, Tocqueville, the Populists and Henry Adams, for example—rarely borrowed from either communitarian or classical traditions. Diggins' book indicates that those now calling for more politics—not less—or for a renewal of a sense of civic community through educational reform or a draft have a shallow well of American tradition to drink from.

—Richard Meyer

Beyond Liberal and Conservative: Reassessing the Political Spectrum. William S. Maddox, Stuart A. Lilie. *Cato Press, $18.00.* Maddox and Lilie argue that the most important influence on ideology is not class, income or education, but age. Relying on evidence from their own work and from earlier studies, Maddox and Lilie write, "The question to ask regarding a person's politics is not how old the person is, but when the person was young." Ask that question about our current crop of college age students and you find millions of people who gained political consciousness just in time to watch Democrats help Ronald Reagan beat up on Jimmy Carter.

As Carter left town, Democratic and Republican leaders joined hands to agree that the only Democratic president in the previous 12 years had done a terrible job. It didn't take the students long to learn the lesson. Of course, they had also noticed that Carter was a Democrat. Ergo, Democrats are failures.

The latest polls suggest that this perception is sticking. The young like Reagan, and they like Republicans. But instead of wondering if the party's lack of courage and loyalty may be a problem, Democrats are comforting themselves with the notion that young people are just plain selfish. If Maddox and Lilie are right, the Democrats may have plenty of time to hone excuses like that as they hunker down to watch the Republican generation grow graciously older.

—Richard Medley

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HOW TO TALK TO TEENAGERS ABOUT DRINKING AND DRIVING.

KEEPING OUT OF HARM'S WAY.

Teenagers can get into a lot of trouble with alcohol. Even teenagers who don't drink. Often they aren't aware of the facts.

A new view of the statistics shows where part of the problem lies, and can lead to a better communication between adults and teenagers.

Teenagers are in the high-risk group. People between the ages of 16 and 24 represent only 20 percent of the licensed drivers of our country. But that same group is involved in 42 percent of all the alcohol-related fatal crashes. When you think about that, two tragic things are revealed:

First, not all teenagers killed in such accidents are themselves drunk at the time. Often they have had nothing to drink at all, but are passengers in cars driven by teenagers who have been drinking.

Second, teenagers are often on the roads late at night, especially on weekends, when most crashes involving alcohol occur. They are targets for cars driven by people who have had too much to drink.

Some facts about alcohol you might want to discuss with teenagers are often surprising to adults:

- One can of beer, as well as one eight-ounce glass of wine, and one 1½-ounce drink of 86-proof liquor are all equally intoxicating. The risk is the same regardless of what you've been drinking.
- The legal definition of intoxication is based on "Blood Alcohol Concentration" or "BAC." If you have a BAC of .10, you are legally drunk in most states. But for drivers or drinkers who are less experienced, a BAC of .05, or sometimes lower, can be dangerous.
- Even relatively low levels of alcohol can reduce your tolerance to injury, increasing the danger in an accident.

Arm your teenagers with the facts and give them time to reflect on them.

If expected to show good judgment, teenagers are more likely to live up to it.

Please discuss the problem of drinking and driving with your teenagers now, and if you think this advertisement will help, ask them to read it.

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